

Senate File 458

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SENATE FILE 458

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AN ACT
RELATING TO PUBLIC EXPENDITURE AND REGULATORY MATTERS,
COMPENSATING PUBLIC EMPLOYEES, MAKING AND REDUCING
APPROPRIATIONS, MODIFYING SALES AND USE TAXES, MODIFYING
THE INVESTMENT TAX CREDITS AND PREMIUM TAXES ON MUTUAL
INSURANCE ASSOCIATIONS, PROVIDING FOR RELATED MATTERS,
MAKING PENALTIES APPLICABLE, AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I
MH/MR/DD ALLOWED GROWTH

Section 1. Section 426B.5, subsection 2, paragraph d,
subparagraphs (1) and (6), Code 2003, are amended to read as
follows:

(1) A county must apply to the board for assistance from
the risk pool on or before ~~April 1~~ January 25 to cover an
unanticipated net expenditure amount in excess of the county's
current fiscal year budgeted net expenditure amount for the
county's services fund. The risk pool board shall make its
final decisions on or before February 25 regarding acceptance
or rejection of the applications for assistance and the total
amount accepted shall be considered obligated. For purposes
of applying for risk pool assistance and for repaying unused
risk pool assistance, the current fiscal year budgeted net
expenditure amount shall be deemed to be the higher of either
the budgeted net expenditure amount in the management plan
approved under section 331.439 for the fiscal year in which
the application is made or the prior fiscal year's net
expenditure amount.

(6) The total amount of risk pool assistance shall be
limited to the amount available in the risk pool for a fiscal
year. If the total amount of eligible assistance exceeds the
amount available in the risk pool the amount of assistance
paid shall be prorated among the counties eligible for
assistance. Moneys remaining unexpended or unobligated in the
risk pool ~~at the close of a fiscal year shall remain available
for distribution in the succeeding fiscal year following the
risk pool board's decisions made pursuant to subparagraph (1)
shall be distributed to the counties eligible to receive
funding from the allowed growth factor adjustment
appropriation for the fiscal year using the distribution
methodology applicable to that appropriation.~~

Sec. 2. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT
AND ALLOCATIONS == FISCAL YEAR 2004=2005.

1. There is appropriated from the general fund of the
state to the department of human services for the fiscal year
beginning July 1, 2004, and ending June 30, 2005, the
following amount, or so much thereof as is necessary, to be
used for the purpose designated:

For distribution to counties of the county mental health,
mental retardation, and developmental disabilities allowed
growth factor adjustment, as provided in this section in lieu
of the provisions of section 331.438, subsection 2, and
section 331.439, subsection 3, and chapter 426B:

..... \$ 23,738,749

2. The funding appropriated in this section is the allowed
growth factor adjustment for fiscal year 2004=2005, and is
allocated as follows:

a. For distribution as provided by law:
..... \$ 21,738,749

b. For deposit in the risk pool created in the property
tax relief fund and for distribution in accordance with
section 426B.5, subsection 2:
..... \$ 2,000,000

Sec. 3. 2002 Iowa Acts, chapter 1175, section 104,
subsections 2, 4 and 5, as amended by 2003 Iowa Acts, House
File 667, section 41, are amended to read as follows:

2. The following formula amounts shall be utilized only to
calculate preliminary distribution amounts for fiscal year
2003=2004 under this section by applying the indicated formula
provisions to the formula amounts and producing a preliminary

3 6 distribution total for each county:
3 7 a. For calculation of an allowed growth factor adjustment
3 8 amount for each county in accordance with the formula in
3 9 section 331.438, subsection 2, paragraph "b":
3 10 \$ 12,000,000
3 11 b. For calculation of a distribution amount for eligible
3 12 counties from the per capita expenditure target pool created
3 13 in the property tax relief fund in accordance with the
3 14 requirements in section 426B.5, subsection 1:
3 15 \$ ~~12,492,712~~
3 16 14,492,000
3 17 c. For calculation of a distribution amount for counties
3 18 from the mental health and developmental disabilities (MH/DD)
3 19 community services fund in accordance with the formula
3 20 provided in the appropriation made for the MH/DD community
3 21 services fund for the fiscal year beginning July 1, 2003:
3 22 \$ 17,727,890
3 23 4. After applying the applicable statutory distribution
3 24 formulas to the amounts indicated in subsection 2 for purposes
3 25 to produce preliminary distribution totals, the department of
3 26 human services shall apply a withholding factor to adjust an
3 27 eligible individual county's preliminary distribution total.
3 28 An ending balance percentage for each county shall be
3 29 determined by expressing the county's ending balance on a
3 30 modified accrual basis under generally accepted accounting
3 31 principles for the fiscal year beginning July 1, 2002, in the
3 32 county's mental health, mental retardation, and developmental
3 33 disabilities services fund created under section 331.424A, as
3 34 a percentage of the county's gross expenditures from that fund
3 35 for that fiscal year. The withholding factor for a county
4 1 shall be the following applicable percent:
4 2 a. For an ending balance percentage of less than 10
4 3 percent, a withholding factor of 0 percent. In addition to
4 4 the county's adjusted distribution total, a county that is
4 5 subject to this paragraph "a" shall receive an inflation
4 6 adjustment equal to 2.6 percent of the gross expenditures
4 7 reported for the county's services fund for that fiscal year.
4 8 b. For an ending balance percentage of 10 through 24
4 9 percent, a withholding factor of 25 percent.
4 10 c. For an ending balance percentage of 25 through 34
4 11 percent, a withholding factor of 60 percent.
4 12 ~~d. For an ending balance percentage of 35 through 44~~
~~4 13 percent, a withholding factor of 85 percent.~~
4 14 ~~e. d. For an ending balance percentage of 45 35 percent or~~
4 15 ~~more, a withholding factor of 100 percent.~~
4 16 5. The total withholding amounts applied pursuant to
4 17 subsection 4 shall be equal to a withholding target amount of
4 18 ~~\$7,419,074 and the appropriation enacted by the Eightieth~~
~~4 19 General Assembly, 2003 Session, for the MH/DD community~~
~~4 20 services fund shall be reduced by the amount necessary to~~
~~4 21 attain the withholding target amount \$9,418,362.~~ If the
4 22 department of human services determines that the amount to be
4 23 withheld in accordance with subsection 4 is not equal to the
4 24 target withholding amount, the department shall adjust the
4 25 withholding factors listed in subsection 4 as necessary to
4 26 achieve the withholding target amount. However, in making
4 27 such adjustments to the withholding factors, the department
4 28 shall strive to minimize changes to the withholding factors
4 29 for those ending balance percentage ranges that are lower than
4 30 others and shall not adjust the zero withholding factor or the
4 31 inflation adjustment percentage specified in subsection 4,
4 32 paragraph "a".

4 33 DIVISION II

4 34 STANDING APPROPRIATIONS == REDUCTIONS

4 35 Sec. 4. GENERAL ASSEMBLY. The appropriations made
5 1 pursuant to section 2.12 for the expenses of the general
5 2 assembly and legislative agencies for the fiscal year
5 3 beginning July 1, 2003, and ending June 30, 2004, are reduced
5 4 by the following amount:
5 5 \$ 2,000,000
5 6 Sec. 5. REBUILD IOWA INFRASTRUCTURE FUND. Notwithstanding
5 7 section 8.56, subsection 4, there is appropriated from the
5 8 cash reserve fund to the rebuild Iowa infrastructure fund
5 9 created in section 8.57 for the fiscal year beginning July 1,
5 10 2002, and ending June 30, 2003, the following amount:
5 11 \$ 2,150,000
5 12 Sec. 6. ENVIRONMENT FIRST FUND. Notwithstanding the
5 13 amount of the standing appropriation from the rebuild Iowa
5 14 infrastructure fund under section 8.57A, subsection 4, there
5 15 is appropriated from the rebuild Iowa infrastructure fund to
5 16 the environment first fund, in lieu of the appropriation made

5 17 in section 8.57A, for the fiscal year beginning July 1, 2002,
5 18 and ending June 30, 2003, the following amount:
5 19 \$ 18,445,000
5 20 Sec. 7. AT=RISK CHILDREN PROGRAMS. Notwithstanding the
5 21 standing appropriation in section 279.51, subsection 1, the
5 22 amount appropriated from the general fund of the state under
5 23 section 279.51, subsection 1, to the department of education
5 24 for the fiscal year beginning July 1, 2003, and ending June
5 25 30, 2004, is reduced by the following amount:
5 26 \$ 1,000,000
5 27 The amount of the reduction in this section shall be
5 28 prorated among the programs specified in section 279.51,
5 29 subsection 1, paragraphs "a", "b", and "c".
5 30 Sec. 8. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
5 31 Notwithstanding section 312.2, subsection 14, the amount
5 32 appropriated from the general fund of the state under section
5 33 312.2, subsection 14, to the state department of
5 34 transportation for public transit assistance under chapter
5 35 324A for the fiscal year beginning July 1, 2003, and ending
6 1 June 30, 2004, is reduced by the following amount:
6 2 \$ 1,298,675
6 3 Sec. 9. Section 294A.25, subsection 1, Code 2003, is
6 4 amended to read as follows:
6 5 1. For the fiscal year beginning July 1, ~~2000~~ 2003, and
6 6 for each succeeding year, there is appropriated from the
6 7 general fund of the state to the department of education the
6 8 amount of ~~eighty fifty-six~~ million eight hundred ninety-one
6 9 thousand three hundred thirty-six dollars to be used to
6 10 improve teacher salaries. The moneys shall be distributed as
6 11 provided in this section.
6 12 Sec. 10. EFFECTIVE DATE. The sections of this division of
6 13 this Act relating to the appropriations made to the rebuild
6 14 Iowa infrastructure fund and environment first fund for the
6 15 fiscal year beginning July 1, 2002, being deemed of immediate
6 16 importance, take effect upon enactment.
6 17 DIVISION III
6 18 STANDING APPROPRIATIONS == LIMITATIONS
6 19 Sec. 11. Notwithstanding the standing appropriations in
6 20 the following designated sections for the fiscal year
6 21 beginning July 1, 2003, and ending June 30, 2004, the amounts
6 22 appropriated from the general fund of the state pursuant to
6 23 those sections for the following designated purposes shall not
6 24 exceed the following amounts:
6 25 1. For compensation of officers and enlisted persons and
6 26 their expenses while on state active duty as authorized in
6 27 section 29A.27:
6 28 \$ 432,450
6 29 2. For payment for nonpublic school transportation under
6 30 section 285.2:
6 31 \$ 7,799,550
6 32 If total approved claims for reimbursement for nonpublic
6 33 school pupil transportation claims exceed the amount
6 34 appropriated in this section, the department of education
6 35 shall prorate the amount of each claim.
7 1 3. For printing cigarette tax stamps under section 453A.7:
7 2 \$ 110,055
7 3 4. For the state's share of the cost of the peace
7 4 officers' retirement benefits under section 411.20:
7 5 \$ 2,816,189
7 6 5. For payment of livestock production credit refunds
7 7 under section 422.121:
7 8 \$ 1,815,735
7 9 6. For reimbursement for the homestead property tax credit
7 10 under section 425.1:
7 11 \$105,585,004
7 12 7. For reimbursement for the agricultural land and family
7 13 farm tax credits under section 426.1:
7 14 \$ 35,497,624
7 15 8. For reimbursement for the military service tax credit
7 16 under section 426A.1A:
7 17 \$ 2,569,712
7 18 9. For administration expenses of the state unemployment
7 19 compensation law under chapter 96:
7 20 \$ 450,000
7 21 10. For payment of certain interest costs due the federal
7 22 government under the federal Cash Management and Improvement
7 23 Act under section 421.31:
7 24 \$ 550,000
7 25 11. For funding the state's deferred compensation program
7 26 established for state employees under section 509A.12:
7 27 \$ 56,501

7 28 Sec. 12. ELDERLY AND DISABLED CREDIT. Notwithstanding the
7 29 standing appropriation in section 425.39, the amount
7 30 appropriated from the general fund of the state under section
7 31 425.39, for the fiscal year beginning July 1, 2003, and ending
7 32 June 30, 2004, for purposes of implementing the elderly and
7 33 disabled credit and reimbursement portion of the extraordinary
7 34 property tax and reimbursement division of chapter 425, shall
7 35 not exceed \$16,651,800. The director shall pay, in full, all
8 1 claims to be paid during the fiscal year beginning July 1,
8 2 2003, for reimbursement of rent constituting property taxes
8 3 paid. If the amount of claims for credit for property taxes
8 4 due to be paid during the fiscal year beginning July 1, 2003,
8 5 exceeds the amount remaining after payment to renters, the
8 6 director of revenue and finance shall prorate the payments to
8 7 the counties for the property tax credit. In order for the
8 8 director to carry out the requirements of this section,
8 9 notwithstanding any provision to the contrary in sections
8 10 425.16 through 425.39, claims for reimbursement for rent
8 11 constituting property taxes paid filed before May 1, 2004,
8 12 shall be eligible to be paid in full during the fiscal year
8 13 ending June 30, 2004, and those claims filed on or after May
8 14 1, 2004, shall be eligible to be paid during the fiscal year
8 15 beginning July 1, 2004, and the director is not required to
8 16 make payments to counties for the property tax credit before
8 17 June 15, 2004.

8 18 Sec. 13. REDUCTION IN CREDITS NOT APPLICABLE. The
8 19 provision in section 25B.7 relating to the proration of the
8 20 property tax credits does not apply with respect to the amount
8 21 of state reimbursement for property tax credits under this
8 22 division.

8 23 DIVISION IV

8 24 REVENUE ADJUSTMENTS == APPROPRIATIONS

8 25 Sec. 14. IOWA ECONOMIC EMERGENCY AND RESERVE FUNDS ==
8 26 EARNINGS. Notwithstanding section 8.55, subsection 4, and
8 27 section 8.56, subsection 1, for the fiscal year beginning July
8 28 1, 2003, and ending June 30, 2004, the interest and earnings
8 29 on moneys deposited in the Iowa economic emergency fund and
8 30 the cash reserve fund shall be credited to the general fund of
8 31 the state.

8 32 Sec. 15. USE OF REVERSIONS. Notwithstanding section 8.62,
8 33 if on June 30, 2004, a balance of an operational
8 34 appropriation, as defined in section 8.62, except for the
8 35 balances of charter agencies, as defined in section 7J.1, if
9 1 enacted by 2003 Iowa Acts, Senate File 453, remains unexpended
9 2 or unencumbered, the balance shall revert to the general fund
9 3 of the state as provided in section 8.33.

9 4 Sec. 16. KEEP IOWA BEAUTIFUL FUND. For the fiscal years
9 5 beginning July 1, 2002, and July 1, 2003, moneys credited to
9 6 the keep Iowa beautiful fund in accordance with section
9 7 422.12A are appropriated to the state department of
9 8 transportation to be used for the purposes provided in section
9 9 314.28.

9 10 Sec. 17. ENDOWMENT FOR IOWA'S HEALTH. For the fiscal year
9 11 beginning July 1, 2003, and ending June 30, 2004, of the
9 12 \$70,000,000 to be deposited in the endowment for Iowa's health
9 13 account of the tobacco settlement trust fund under 2001 Iowa
9 14 Acts, chapter 174, section 1, subsection 1, the following
9 15 amount shall instead be deposited in the general fund of the
9 16 state:

9 17 \$ 20,000,000

9 18 Sec. 18. JUNIOR OLYMPICS. There is appropriated from the
9 19 general fund of the state to the department of economic
9 20 development for the fiscal year beginning July 1, 2003, and
9 21 ending June 30, 2004, the following amount, or so much thereof
9 22 as is necessary, to be used for the purpose designated:

9 23 For providing assistance to a city or nonprofit
9 24 organization hosting the national junior olympics:
9 25 \$ 50,000

9 26 Sec. 19. REBUILD IOWA INFRASTRUCTURE FUND.
9 27 Notwithstanding section 8.57, subsection 5, there is
9 28 appropriated from the rebuild Iowa infrastructure fund
9 29 created in section 8.57, subsection 5, to the general
9 30 fund of the state during the fiscal year beginning
9 31 July 1, 2003, and ending June 30, 2004, the following
9 32 amount:

9 33 \$ 10,000,000

9 34 Sec. 20. IOWA LAW ENFORCEMENT ACADEMY. 2003 Iowa Acts,
9 35 Senate File 439, section 10, subsection 1, unnumbered

10 1 paragraph 2, if enacted, is amended to read as follows:
10 2 For salaries, support, maintenance, miscellaneous purposes,
10 3 including jailer training and technical assistance, and for

10 4 not more than the following full-time equivalent positions:
 10 5 \$ ~~1,002,629~~
 10 6 1,047,629
 10 7 FTEs 30.05
 10 8 Sec. 21. MILITARY PAY DIFFERENTIAL. There is appropriated
 10 9 from the cash reserve fund to the department of revenue and
 10 10 finance or its successor agency for the period beginning March
 10 11 19, 2003, and ending June 30, 2003, the following amount, or
 10 12 so much thereof as is necessary, for the purposes designated:
 10 13 For a military pay differential program and health
 10 14 insurance retention program for individuals activated for the
 10 15 armed services of the United States, for employees on the
 10 16 central payroll system:
 10 17 \$ 1,810,000
 10 18 Of the funds appropriated in this section, up to \$10,000 is
 10 19 transferred to the Iowa department of public health for
 10 20 allocation to community mental health centers to provide
 10 21 counseling services to persons who are members of the national
 10 22 guard and reservists activated but as yet not sent to combat
 10 23 zones and to the persons' family members. The sessions shall
 10 24 be provided on a first come, first served basis and shall be
 10 25 limited to three visits per family.
 10 26 The department or agency receiving funds under this section
 10 27 shall report monthly to the fiscal committee of the
 10 28 legislative council on the use of the funds.
 10 29 Notwithstanding section 8.33, unencumbered or unobligated
 10 30 funds remaining on June 30, 2003, from the appropriation made
 10 31 in this section shall not revert but shall remain available to
 10 32 be used for the purposes designated in the following fiscal
 10 33 year.
 10 34 Sec. 22. ASSISTED LIVING PROGRAMS. Notwithstanding
 10 35 section 231C.6, any fees remaining on June 30, 2003, in the
 11 1 assisted living program fund created pursuant to section
 11 2 231C.6 are appropriated to the department of inspections and
 11 3 appeals for the fiscal year beginning July 1, 2003, and ending
 11 4 June 30, 2004, to carry out the purposes of chapter 231C.
 11 5 Sec. 23. COUNTY HOSPITALS. There is appropriated from the
 11 6 general fund of the state to the department of human services
 11 7 for the fiscal year beginning July 1, 2003, and ending June
 11 8 30, 2004, the following amount, or so much thereof as is
 11 9 necessary, for the purpose designated:
 11 10 For support of operational expenses of county hospitals in
 11 11 counties having a population of two hundred twenty-five
 11 12 thousand or more:
 11 13 \$ 312,000
 11 14 Sec. 24. WORKFORCE DEVELOPMENT. There is appropriated
 11 15 from the general fund of the state to the Iowa department of
 11 16 workforce development for the fiscal year beginning July 1,
 11 17 2003, and ending June 30, 2004, the following amount, or so
 11 18 much thereof as is necessary, for the purpose designated:
 11 19 For salaries and support and for the following full-time
 11 20 equivalent positions:
 11 21 \$ 250,000
 11 22 FTEs 5.00
 11 23 The appropriation in this section shall be used for four
 11 24 OSHA inspectors and one workers' compensation compliance
 11 25 officer. The appropriation in this section is contingent upon
 11 26 the enactment of 2003 Iowa Acts, Senate File 344, by the
 11 27 Eightieth General Assembly, 2003 Regular Session.
 11 28 Sec. 25. UNEMPLOYMENT TRUST FUND. There is appropriated
 11 29 from moneys transferred to the state on March 13, 2002,
 11 30 pursuant to section 903(d) of the federal Social Security Act,
 11 31 as amended, to the department of workforce development, the
 11 32 following amount, to be deposited, under the direction of the
 11 33 department of workforce development, in the unemployment
 11 34 compensation fund for the payment of unemployment benefits and
 11 35 for the establishment of the unemployment compensation reserve
 12 1 fund:
 12 2 \$ 40,000,000
 12 3 Sec. 26. UNEMPLOYMENT TAX AND CLAIM SYSTEM. There is
 12 4 appropriated from moneys transferred to the state on March 13,
 12 5 2002, pursuant to section 903(d) of the federal Social
 12 6 Security Act, as amended, to the department of workforce
 12 7 development, the following amount for purposes of automation
 12 8 and technology for the unemployment tax and claim system:
 12 9 \$ 20,000,000
 12 10 Sec. 27. ENHANCED SERVICES TO CLAIMANTS. There is
 12 11 appropriated from moneys transferred to the state on March 13,
 12 12 2002, pursuant to section 903(d) of the federal Social
 12 13 Security Act, as amended, to the department of workforce
 12 14 development the following amount for purposes of

12 15 infrastructure improvements and the administrative and
12 16 technology costs associated with enhanced services to
12 17 unemployment benefit claimants for workforce and labor
12 18 exchange services:
12 19 \$ 20,700,000
12 20 Sec. 28. FEDERAL FISCAL RELIEF FUNDING. If the
12 21 one hundred eighth United States Congress enacts an
12 22 economic stimulus package that includes the provision
12 23 of discretionary funding to the state to provide state
12 24 or local government fiscal relief, the funding shall
12 25 be deposited in the fund created by section 8.41.
12 26 Sec. 29. Section 8.55, subsection 2, paragraph c, Code
12 27 2003, is amended to read as follows:
12 28 c. Notwithstanding paragraph "a", any moneys in excess of
12 29 the maximum balance in the economic emergency fund after the
12 30 distribution of the surplus in the general fund of the state
12 31 at the conclusion of each fiscal year and after the
12 32 appropriate amount has been transferred pursuant to paragraph
12 33 "b", shall not be transferred to the general fund of the state
12 34 but shall be transferred to the senior living trust fund. The
12 35 total amount transferred, in the aggregate, under this
13 1 paragraph for all fiscal years shall not exceed ~~fifty-one one~~
13 2 ~~hundred eighteen~~ million ~~five hundred thousand~~ dollars.
13 3 Sec. 30. Section 8.55, subsection 2, paragraph d, Code
13 4 2003, is amended to read as follows:
13 5 d. Notwithstanding paragraph "a", any moneys in excess of
13 6 the maximum balance in the economic emergency fund after the
13 7 distribution of the surplus in the general fund of the state
13 8 at the conclusion of each fiscal year and after the
13 9 appropriate amounts have been transferred pursuant to
13 10 paragraphs "b" and "c" shall not be transferred to the general
13 11 fund of the state but shall be transferred to the endowment
13 12 for Iowa's health account of the tobacco settlement trust
13 13 fund. The total amount transferred, in the aggregate, under
13 14 this paragraph for all fiscal years shall not exceed the
13 15 difference between ~~sixty one hundred one~~ million ~~five seven~~
13 16 ~~hundred fifty-one~~ thousand dollars and the amounts transferred
13 17 to the endowment for Iowa's health account to repay the
13 18 amounts transferred or appropriated from the endowment for
13 19 Iowa's health account in 2002 Iowa Acts, chapter 1165, 2002
13 20 Iowa Acts, chapter 1166, 2002 Iowa Acts, chapter 1167, ~~and~~
13 21 2002 Iowa Acts, Second Extraordinary Session, chapter 1003,
13 22 ~~and 2003 Iowa Acts, House File 685.~~
13 23 Sec. 31. Section 8.57, subsection 1, paragraph a,
13 24 unnumbered paragraph 1, Code Supplement 2001, as enacted by
13 25 2002 Iowa Acts, Second Extraordinary Session, chapter 1001,
13 26 section 28, is amended to read as follows:
13 27 The "cash reserve goal percentage" for fiscal years
13 28 beginning on or after July 1, ~~2003~~ 2004, is seven and one-half
13 29 percent of the adjusted revenue estimate. For each fiscal
13 30 year ~~beginning on or after July 1, 2003,~~ in which the
13 31 appropriation of the surplus existing in the general fund of
13 32 the state at the conclusion of the prior fiscal year pursuant
13 33 to paragraph "b" was not sufficient for the cash reserve fund
13 34 to reach the cash reserve goal percentage for the current
13 35 fiscal year, there is appropriated from the general fund of
14 1 the state an amount to be determined as follows:
14 2 Sec. 32. Section 96.9, Code 2003, is amended by adding the
14 3 following new subsection:
14 4 NEW SUBSECTION. 8. UNEMPLOYMENT COMPENSATION RESERVE
14 5 FUND.
14 6 a. A special fund to be known as the unemployment
14 7 compensation reserve fund is created in the state treasury.
14 8 The reserve fund is separate and distinct from the
14 9 unemployment compensation fund. All moneys collected as
14 10 reserve contributions, as defined in paragraph "b", shall be
14 11 deposited in the reserve fund. The moneys in the reserve fund
14 12 may be used for the payment of unemployment benefits and shall
14 13 remain available for expenditure in accordance with the
14 14 provisions of this subsection. The treasurer of state shall
14 15 be the custodian of the reserve fund and shall disburse the
14 16 moneys in the reserve fund in accordance with this subsection
14 17 and the directions of the director of the department of
14 18 workforce development.
14 19 b. If the balance in the reserve fund on July 1 of the
14 20 preceding calendar year for calendar year 2004 and each year
14 21 thereafter is less than one hundred fifty million dollars, a
14 22 percentage of contributions, as determined by the director,
14 23 shall be deemed to be reserve contributions for the following
14 24 calendar year. If the percentage of contributions, termed the
14 25 reserve contribution tax rate, is not zero percent as

14 26 determined pursuant to this subsection, the combined tax rate
14 27 of contributions to the unemployment compensation fund and to
14 28 the unemployment compensation reserve fund shall be divided so
14 29 that a minimum of fifty percent of the combined tax rate
14 30 equals the unemployment contribution tax rate and a maximum of
14 31 fifty percent of the combined tax rate equals the reserve
14 32 contribution tax rate except for employers who are assigned a
14 33 combined tax rate of five and four-tenths. For those
14 34 employers, the reserve contribution tax rate shall equal zero
14 35 and their combined tax rate shall equal their unemployment
15 1 contribution rate. When the reserve contribution tax rate is
15 2 determined to be zero percent, the unemployment contribution
15 3 rate for all employers shall equal one hundred percent of the
15 4 combined tax rate. The reserve contributions collected in any
15 5 calendar year shall not exceed fifty million dollars. The
15 6 provisions for collection of contributions under section 96.14
15 7 are applicable to the collection of reserve contributions.
15 8 Reserve contributions shall not be deducted in whole or in
15 9 part by any employer from the wages of individuals in its
15 10 employ. All moneys collected as reserve contributions shall
15 11 not become part of the unemployment compensation fund but
15 12 shall be deposited in the reserve fund created in this
15 13 subsection.

15 14 c. Moneys in the reserve fund shall only be used to pay
15 15 unemployment benefits to the extent moneys in the unemployment
15 16 compensation fund are insufficient to pay benefits during a
15 17 calendar quarter.

15 18 d. The interest earned on the moneys in the reserve fund
15 19 shall be deposited in and credited to the reserve fund.

15 20 e. Moneys from interest earned on the unemployment
15 21 compensation reserve fund shall be used by the department only
15 22 upon appropriation by the general assembly and only for
15 23 purposes contained in section 96.7, subsection 12, for
15 24 department of workforce development rural satellite offices,
15 25 and for administrative costs to collect the reserve
15 26 contributions.

15 27 Sec. 33. Section 256D.4, subsection 2, unnumbered
15 28 paragraph 1, Code 2003, is amended to read as follows:

~~15 29 For each fiscal year in the fiscal period beginning July 1,
15 30 2001, and ending June 30, 2003, moneys~~ Moneys appropriated
15 31 pursuant to section 256D.5, subsection 3, shall be allocated
15 32 to school districts as follows:

15 33 Sec. 34. Section 256D.5, subsection 3, Code 2003, is
15 34 amended to read as follows:

15 35 3. For each fiscal year of the fiscal period beginning
16 1 July 1, 2001, and ending June 30, ~~2003~~ 2004, the sum of thirty
16 2 million dollars.

16 3 Sec. 35. Section 260G.4B, subsection 1, Code 2003, is
16 4 amended to read as follows:

16 5 1. The total amount of program job credits from all
16 6 employers which shall be allocated for all accelerated career
16 7 education programs in the state in any one fiscal year shall
16 8 not exceed the sum of three million dollars in the fiscal year
16 9 beginning July 1, 2000, three million dollars in the fiscal
16 10 year beginning July 1, 2001, three million dollars in the
16 11 fiscal year beginning July 1, 2002, ~~four million dollars in~~
16 12 ~~the fiscal year beginning July 1, 2003,~~ and six million

16 13 dollars in the fiscal year beginning July 1, ~~2003~~ 2004, and
16 14 every fiscal year thereafter. Any increase in program job
16 15 credits above the six-million-dollar limitation per fiscal
16 16 year shall be developed, based on recommendations in a study
16 17 which shall be conducted by the department of economic
16 18 development of the needs and performance of approved programs
16 19 in the fiscal years beginning July 1, 2000, and July 1, 2001.
16 20 The study's findings and recommendations shall be submitted to
16 21 the general assembly by the department by December 31, 2002.
16 22 The study shall include but not be limited to an examination
16 23 of the quality of the programs, the number of program
16 24 participant placements, the wages and benefits in program
16 25 jobs, the level of employer contributions, the size of
16 26 participating employers, and employer locations. A community
16 27 college shall file a copy of each agreement with the
16 28 department of economic development. The department shall
16 29 maintain an annual record of the proposed program job credits
16 30 under each agreement for each fiscal year. Upon receiving a
16 31 copy of an agreement, the department shall allocate any
16 32 available amount of program job credits to the community
16 33 college according to the agreement sufficient for the fiscal
16 34 year and for the term of the agreement. When the total
16 35 available program job credits are allocated for a fiscal year,
17 1 the department shall notify all community colleges that the

17 2 maximum amount has been allocated and that further program job
17 3 credits will not be available for the remainder of the fiscal
17 4 year. Once program job credits have been allocated to a
17 5 community college, the full allocation shall be received by
17 6 the community college throughout the fiscal year and for the
17 7 term of the agreement even if the statewide program job credit
17 8 maximum amount is subsequently allocated and used.

17 9 Sec. 36. Section 294A.25, subsection 10, Code 2003, is
17 10 amended to read as follows:

17 11 10. For ~~the each~~ fiscal year ~~beginning July 1, 2001, and~~
~~17 12 ending June 30, 2002~~, to the department of education ~~from~~
17 13 ~~phase III moneys~~ the amount of forty-seven thousand dollars
17 14 for the Iowa mathematics and science coalition.

17 15 Sec. 37. Section 427B.19A, subsection 1, as amended by
17 16 2003 Iowa Acts, Senate File 453, if enacted, is amended to
17 17 read as follows:

17 18 1. The industrial machinery, equipment and computers
17 19 property tax replacement fund is created. For the fiscal year
17 20 beginning July 1, 1996, through the fiscal year ending June
17 21 30, 2004, there is appropriated annually from the general fund
17 22 of the state to the department of revenue and finance to be
17 23 credited to the industrial machinery, equipment and computers
17 24 property tax replacement fund, an amount sufficient to
17 25 implement this division. However, for the fiscal year
17 26 beginning July 1, 2003, the amount appropriated to the
17 27 department of revenue and finance to be credited to the
17 28 industrial machinery, equipment and computers tax replacement
17 29 fund is ~~ten~~ eleven million ~~two hundred~~ eighty-one thousand six
17 30 hundred eighty-five dollars.

17 31 Sec. 38. 2001 Iowa Acts, chapter 174, section 1,
17 32 subsection 2, as amended by 2002 Iowa Acts, chapter 1174,
17 33 section 8, is amended to read as follows:

17 34 2. There is appropriated from the general fund of the
17 35 state to the endowment for Iowa's health account of the
18 1 tobacco settlement trust fund created in section 12E.12, for
18 2 the designated fiscal years, the following amounts, to be used
18 3 for the purposes specified in section 12E.12 for the endowment
18 4 for Iowa's health account:

18 5	FY 2001=2002	\$ 7,248,000
18 6	FY 2003=2004	\$ 28,251,000
18 7		0
18 8	FY 2004=2005	\$ 29,785,000
18 9	FY 2005=2006	\$ 29,562,000
18 10	FY 2006=2007	\$ 17,773,000

18 11 Sec. 39. 2002 Iowa Acts, chapter 1173, section 18, is
18 12 amended to read as follows:

18 13 SEC. 18. POOLED TECHNOLOGY FUNDING == PRIOR ALLOCATIONS ==
18 14 NONREVERSION. Notwithstanding section 8.33, moneys
18 15 appropriated and allocated in 2001 Iowa Acts, chapter 189,
18 16 section 5, subsection 1, which remain unobligated or
18 17 unexpended at the close of the fiscal year for which they were
18 18 appropriated shall not revert, but shall remain available for
18 19 expenditure for the purposes for which they were appropriated
18 20 and allocated, for the fiscal ~~year period~~ beginning July 1,
18 21 2002, and ending June 30, ~~2003~~ 2004.

18 22 Sec. 40. 2002 Iowa Acts, Second Extraordinary Session,
18 23 chapter 1001, section 33, is amended to read as follows:

18 24 SEC. 33. EFFECTIVE DATE == APPLICABILITY. The amendments
18 25 to the following designated Code provisions in this division
18 26 of this Act take effect July 1, ~~2003~~ 2004:

18 27 1. Section 8.55, subsection 2, paragraph "a".

18 28 2. Section 8.56, subsection 4, paragraph "b".

18 29 3. Section 8.57, subsection 1, paragraph "a".

18 30 Sec. 41. FRANCHISE TAX REVENUE ALLOCATION. There is
18 31 appropriated from the franchise tax revenues deposited in the
18 32 general fund of the state to the department of revenue and
18 33 finance for the fiscal year beginning July 1, 2003, and ending
18 34 June 30, 2004, \$8,800,000 to be allocated as follows:

18 35 1. Sixty percent to the general fund of the city from
19 1 which the tax is collected.

19 2 2. Forty percent to the county from which the tax is
19 3 collected.

19 4 If the financial institution maintains one or more offices
19 5 for the transaction of business, other than its principal
19 6 office, a portion of its franchise tax shall be allocated to
19 7 each office, based upon a reasonable measure of the business
19 8 activity of each office. The director of revenue and finance
19 9 shall prescribe, for each type of financial institution, a
19 10 method of measuring the business activity of each office.
19 11 Financial institutions shall furnish all necessary information
19 12 for this purpose at the request of the director. The

19 13 allocation shall be distributed quarterly.
19 14 Sec. 42. 2003 Iowa Acts, Senate File 453, section 28, if
19 15 enacted, is repealed.

19 16 RACING AND GAMING COMMISSION

19 17 Sec. 43. 2002 Iowa Acts, Second Extraordinary Session,
19 18 chapter 1003, section 9, subsection 1, is amended to read as
19 19 follows:

19 20 1. RACETRACK REGULATION

19 21 There is appropriated from the general fund of the state to
19 22 the racing and gaming commission of the department of
19 23 inspections and appeals for the fiscal year beginning July 1,
19 24 2002, and ending June 30, 2003, the following amount, or so
19 25 much thereof as is necessary, to be used for the purposes
19 26 designated:

19 27 For salaries, support, maintenance, and miscellaneous
19 28 purposes for the regulation of pari-mutuel racetracks, and for
19 29 not more than the following full-time equivalent positions:
19 30 \$ 2,083,762
19 31 2,163,762
19 32 FTEs 24.78

19 33 Of the funds appropriated in this subsection, \$85,576 shall
19 34 be used to conduct an extended harness racing season.

19 35 Sec. 44. 2003 Iowa Acts, House File 655, section 24, if
20 1 enacted, is amended to read as follows:

20 2 SEC. 24. READY TO WORK PROGRAM COORDINATOR. There is
20 3 appropriated from ~~the surplus funds in the long-term~~
~~disability reserve fund~~ and the workers' compensation trust
20 4 fund to the department of personnel for the fiscal year
20 5 beginning July 1, 2003, and ending June 30, 2004, the
20 6 following amount, or so much thereof as is necessary, to be
20 7 used for the purposes designated:

20 8 For the salary, support, and miscellaneous expenses for the
20 9 ready to work program and coordinator:
20 10 \$ 89,416

20 11 ~~The moneys appropriated pursuant to this section shall be~~
~~taken in equal proportions from the long-term disability~~
~~reserve fund and the workers' compensation trust fund.~~

20 12 Sec. 45. 2003 Iowa Acts, House File 655, section 34, if
20 13 enacted, is amended to read as follows:

20 14 SEC. 34. READY TO WORK PROGRAM COORDINATOR. There is
20 15 appropriated from ~~the surplus funds in the long-term~~
~~disability reserve fund~~ and the workers' compensation trust
20 16 fund to the department of administrative services for the
20 17 fiscal year beginning July 1, 2003, and ending June 30, 2004,
20 18 the following amount, or so much thereof as is necessary, to
20 19 be used for the purposes designated:

20 20 For the salary, support, and miscellaneous expenses for the
20 21 ready to work program and coordinator:
20 22 \$ 89,416

20 23 ~~The moneys appropriated pursuant to this section shall be~~
~~taken in equal proportions from the long-term disability~~
~~reserve fund and the workers' compensation trust fund.~~

20 24 Sec. 46. CONTINGENT CASH RESERVE APPROPRIATION.

20 25 1. There is appropriated from the cash reserve fund to the
20 26 general fund of the state for the fiscal year beginning July
20 27 1, 2002, and ending June 30, 2003, for the purposes of
20 28 reducing or preventing any overdraft on or deficit in the
20 29 general fund of the state, an amount not to exceed
21 1 \$50,000,000.

21 2 2. The appropriation made in subsection 1 is contingent
21 3 upon all of the following having occurred:

21 4 a. The revenue estimating conference estimate of general
21 5 fund receipts made during the last quarter of the fiscal year
21 6 was or the actual fiscal year receipts and accruals were at
21 7 least one-half of one percent less than the comparable
21 8 estimate made during the third quarter of the fiscal year.

21 9 b. The governor has implemented the uniform reductions in
21 10 appropriations required in section 8.31 as a result of
21 11 paragraph "a" and such reduction was insufficient to prevent
21 12 an overdraft on or deficit in the general fund of the state or
21 13 the governor did not implement uniform reductions in
21 14 appropriations because of the lateness of the estimated or
21 15 actual receipts and accruals under paragraph "a".

21 16 c. The balance of the general fund of the state at the end
21 17 of the fiscal year prior to the appropriation made in
21 18 subsection 1 was negative.

21 19 d. The governor has issued an official proclamation and
21 20 has notified the cochairpersons of the fiscal committee of the
21 21 legislative council and the legislative services agency that
21 22 the contingencies in paragraphs "a" through "c" have occurred
21 23 and the reasons why the uniform reductions specified in

21 24 paragraph "b" were insufficient or were not implemented to
21 25 prevent an overdraft on or deficit in the general fund of the
21 26 state.

21 27 3. If an appropriation is made pursuant to subsection 1
21 28 for a fiscal year, there is appropriated from the general fund
21 29 of the state to the cash reserve fund for the following fiscal
21 30 year, the amount of the appropriation made pursuant to
21 31 subsection 1.

21 32 Sec. 47. EFFECTIVE DATE. The following provisions of this
21 33 division of this Act, being deemed of immediate importance,
21 34 take effect upon enactment:

21 35 1. The section appropriating moneys from the keep Iowa
22 1 beautiful fund.

22 2 2. The section amending 2002 Iowa Acts, chapter 1173,
22 3 section 18, relating to the nonreversion of pooled technology
22 4 funding.

22 5 3. The section appropriating moneys from the cash reserve
22 6 fund for the military pay differential program. This section
22 7 applies retroactively to March 19, 2003.

22 8 4. The section appropriating moneys from the assisted
22 9 living program fund.

22 10 5. The section making the contingent appropriation from
22 11 the cash reserve fund.

22 12 6. The section amending 2002 Iowa Acts, Second
22 13 Extraordinary Session, chapter 1003, section 9, relating to
22 14 racetrack regulation.

22 15 7. The amendment to section 96.9.

22 16 DIVISION V

22 17 COMPENSATION AND BENEFITS

22 18 Sec. 48. COLLECTIVE BARGAINING AGREEMENTS FUNDED ==
22 19 GENERAL FUND. There is appropriated from the general fund of
22 20 the state to the salary adjustment fund for distribution by
22 21 the department of management to the various state departments,
22 22 boards, commissions, councils, and agencies, and to the state
22 23 board of regents for those persons employed at the state
22 24 school for the deaf and the Iowa braille and sight saving
22 25 school, for the fiscal year beginning July 1, 2003, and ending
22 26 June 30, 2004, the amount of \$28,000,000, or so much thereof
22 27 as may be necessary, to fully fund annual pay adjustments,
22 28 expense reimbursements, and related benefits implemented
22 29 pursuant to the following:

22 30 1. The collective bargaining agreement negotiated pursuant
22 31 to chapter 20 for employees in the blue collar bargaining
22 32 unit.

22 33 2. The collective bargaining agreement negotiated pursuant
22 34 to chapter 20 for employees in the public safety bargaining
22 35 unit.

23 1 3. The collective bargaining agreement negotiated pursuant
23 2 to chapter 20 for employees in the security bargaining unit.

23 3 4. The collective bargaining agreement negotiated pursuant
23 4 to chapter 20 for employees in the technical bargaining unit.

23 5 5. The collective bargaining agreement negotiated pursuant
23 6 to chapter 20 for employees in the professional fiscal and
23 7 staff bargaining unit.

23 8 6. The collective bargaining agreement negotiated pursuant
23 9 to chapter 20 for employees in the clerical bargaining unit.

23 10 7. The collective bargaining agreement negotiated pursuant
23 11 to chapter 20 for employees in the professional social
23 12 services bargaining unit.

23 13 8. The collective bargaining agreement negotiated pursuant
23 14 to chapter 20 for employees in the community-based corrections
23 15 bargaining unit.

23 16 9. The collective bargaining agreements negotiated
23 17 pursuant to chapter 20 for employees in the judicial branch of
23 18 government bargaining units.

23 19 10. The collective bargaining agreement negotiated
23 20 pursuant to chapter 20 for employees in the patient care
23 21 bargaining unit.

23 22 11. The collective bargaining agreement negotiated
23 23 pursuant to chapter 20 for employees in the science bargaining
23 24 unit.

23 25 12. The annual pay adjustments, related benefits, and
23 26 expense reimbursements referred to in the sections of this
23 27 division of this Act for employees not covered by a collective
23 28 bargaining agreement.

23 29 Of the amount appropriated in this section, \$2,668,000
23 30 shall be allocated to the judicial branch for the purpose of
23 31 funding annual pay adjustments, expense reimbursements, and
23 32 related benefits implemented for judicial branch employees.
23 33 In distributing the remainder of the amount appropriated in
23 34 this section, the department of management, in order to

23 35 address essential public protection functions and recognizing
24 1 the availability of funds appropriated in other Acts of the
24 2 general assembly and other sources, shall give priority, in
24 3 descending order, to the department of corrections, department
24 4 of human services, and department of public safety, and then
24 5 to the remaining state departments, boards, commissions,
24 6 councils, and agencies to which the appropriation is
24 7 applicable.

24 8 Sec. 49. NONCONTRACT STATE EMPLOYEES == GENERAL.

24 9 1. a. For the fiscal year beginning July 1, 2003, the
24 10 maximum salary levels of all pay plans provided for in section
24 11 19A.9, subsection 2, as they exist for the fiscal year ending
24 12 June 30, 2003, shall be increased by 2 percent for the pay
24 13 period beginning June 20, 2003, and any additional changes in
24 14 the pay plans shall be approved by the governor.

24 15 b. For the fiscal year beginning July 1, 2003, employees
24 16 may receive a step increase or the equivalent of a step
24 17 increase.

24 18 2. The pay plans for state employees who are exempt from
24 19 chapter 19A and who are included in the department of revenue
24 20 and finance's centralized payroll system shall be increased in
24 21 the same manner as provided in subsection 1, and any
24 22 additional changes in any executive branch pay plans shall be
24 23 approved by the governor. However, commencing July 1, 2003,
24 24 the consumer advocate shall receive an annual salary in the
24 25 same salary range as the chairperson and members of the
24 26 utilities board.

24 27 3. This section does not apply to members of the general
24 28 assembly, board members, commission members, salaries of
24 29 persons set by the general assembly in statute, salaries of
24 30 appointed state officers set by the governor, other persons
24 31 designated, employees designated under section 19A.3,
24 32 subsection 5, and employees covered by 581 IAC 4.6(3).

24 33 4. The pay plans for the bargaining eligible employees of
24 34 the state shall be increased in the same manner as provided in
24 35 subsection 1, and any additional changes in such executive
25 1 branch pay plans shall be approved by the governor. As used
25 2 in this section, "bargaining eligible employee" means an
25 3 employee who is eligible to organize under chapter 20, but has
25 4 not done so.

25 5 5. The policies for implementation of this section shall
25 6 be approved by the governor.

25 7 Sec. 50. STATE EMPLOYEES == STATE BOARD OF REGENTS.

25 8 1. Funds from the appropriation made in this division of
25 9 this Act from the general fund of the state to the salary
25 10 adjustment fund shall be allocated by the department of
25 11 management to the state board of regents for the purposes of
25 12 providing increases for state board of regents employees at
25 13 the state school for the deaf and the Iowa braille and sight
25 14 saving school who are addressed by that appropriation and
25 15 employees of the schools who are not covered by a collective
25 16 bargaining agreement.

25 17 2. The state board of regents office and the state
25 18 university of Iowa, Iowa state university of science and
25 19 technology, and the university of northern Iowa shall provide
25 20 from available sources pay adjustments, expense
25 21 reimbursements, and related benefits to fully fund the
25 22 following:

25 23 a. The collective bargaining agreement negotiated pursuant
25 24 to chapter 20 for employees in the university of northern Iowa
25 25 faculty bargaining unit.

25 26 b. The collective bargaining agreement negotiated pursuant
25 27 to chapter 20 for employees in the patient care bargaining
25 28 unit.

25 29 c. The collective bargaining agreement negotiated pursuant
25 30 to chapter 20 for employees in the science bargaining unit.

25 31 d. The collective bargaining agreement negotiated pursuant
25 32 to chapter 20 for employees in the state university of Iowa
25 33 graduate student bargaining unit.

25 34 e. The collective bargaining agreement negotiated pursuant
25 35 to chapter 20 for employees in the state university of Iowa
26 1 hospital and clinics tertiary health care bargaining unit.

26 2 f. The collective bargaining agreement negotiated pursuant
26 3 to chapter 20 for employees in the blue collar bargaining
26 4 unit.

26 5 g. The collective bargaining agreement negotiated pursuant
26 6 to chapter 20 for employees in the public safety bargaining
26 7 unit.

26 8 h. The collective bargaining agreement negotiated pursuant
26 9 to chapter 20 for employees in the security bargaining unit.

26 10 i. The collective bargaining agreement negotiated pursuant

26 11 to chapter 20 for employees in the technical bargaining unit.
26 12 j. The collective bargaining agreement negotiated pursuant
26 13 to chapter 20 for employees in the professional fiscal and
26 14 staff bargaining unit.
26 15 k. The collective bargaining agreement negotiated pursuant
26 16 to chapter 20 for employees in the clerical bargaining unit.
26 17 l. The annual pay adjustments, related benefits, and
26 18 expense reimbursements referred to in the sections of this
26 19 division of this Act for employees not covered by a collective
26 20 bargaining agreement.

26 21 Sec. 51. APPROPRIATIONS FROM ROAD FUNDS.

26 22 1. There is appropriated from the road use tax fund to the
26 23 salary adjustment fund for the fiscal year beginning July 1,
26 24 2003, and ending June 30, 2004, the following amount, or so
26 25 much thereof as may be necessary, to be used for the purpose
26 26 designated:

26 27 To supplement other funds appropriated by the general
26 28 assembly:

26 29 \$ 3,000,000

26 30 2. There is appropriated from the primary road fund to the
26 31 salary adjustment fund, for the fiscal year beginning July 1,
26 32 2003, and ending June 30, 2004, the following amount, or so
26 33 much thereof as may be necessary, to be used for the purpose
26 34 designated:

26 35 To supplement other funds appropriated by the general
27 1 assembly:

27 2 \$ 12,000,000

27 3 3. Except as otherwise provided in this division of this
27 4 Act, the amounts appropriated in subsections 1 and 2 shall be
27 5 used to fund the annual pay adjustments, expense
27 6 reimbursements, and related benefits for public employees as
27 7 provided in this division of this Act.

27 8 Sec. 52. SPECIAL FUNDS == AUTHORIZATION. To departmental
27 9 revolving, trust, or special funds, except for the primary
27 10 road fund or the road use tax fund, for which the general
27 11 assembly has established an operating budget, a supplemental
27 12 expenditure authorization is provided, unless otherwise
27 13 provided, in an amount necessary to fund salary adjustments as
27 14 otherwise provided in this division of this Act.

27 15 Sec. 53. GENERAL FUND SALARY MONEYS. Funds appropriated
27 16 from the general fund of the state in this division of this
27 17 Act relate only to salaries supported from general fund
27 18 appropriations of the state except for employees of the state
27 19 board of regents at the state school for the deaf and the Iowa
27 20 braille and sight saving school. The funds appropriated from
27 21 the general fund of the state for employees at the state
27 22 school for the deaf and the Iowa braille and sight saving
27 23 school of the state board of regents shall exclude general
27 24 university indirect costs and general university federal
27 25 funds.

27 26 Sec. 54. FEDERAL FUNDS APPROPRIATED. All federal grants
27 27 to and the federal receipts of the agencies affected by this
27 28 division of this Act which are received and may be expended
27 29 for purposes of this division of this Act are appropriated for
27 30 those purposes and as set forth in the federal grants or
27 31 receipts.

27 32 Sec. 55. STATE TROOPER MEAL ALLOWANCE. The sworn peace
27 33 officers in the department of public safety who are not
27 34 covered by a collective bargaining agreement negotiated
27 35 pursuant to chapter 20 shall receive the same per diem meal
28 1 allowance as the sworn peace officers in the department of
28 2 public safety who are covered by a collective bargaining
28 3 agreement negotiated pursuant to chapter 20.

28 4 Sec. 56. SALARY MODEL COORDINATOR. Of the funds
28 5 appropriated in this division of this Act from the general
28 6 fund of the state, \$126,767 for the fiscal year beginning July
28 7 1, 2003, is allocated to the department of management for
28 8 salary and support of the salary model coordinator who shall
28 9 work in conjunction with the legislative fiscal bureau to
28 10 maintain the state's salary model used for analyzing,
28 11 comparing, and projecting state employee salary and benefit
28 12 information, including information relating to employees of
28 13 the state board of regents. The department of revenue and
28 14 finance, the department of personnel, the five institutions
28 15 under the jurisdiction of the state board of regents, the
28 16 eight judicial district departments of correctional services,
28 17 and the state department of transportation shall provide
28 18 salary data to the department of management and the
28 19 legislative fiscal bureau to operate the state's salary model.
28 20 The format and frequency of provision of the salary data shall
28 21 be determined by the department of management and the

28 22 legislative fiscal bureau. The information shall be used in
28 23 collective bargaining processes under chapter 20 and in
28 24 calculating the funding needs contained within the annual
28 25 salary adjustment legislation. A state employee organization
28 26 as defined in section 20.3, subsection 4, may request
28 27 information produced by the model, but the information
28 28 provided shall not contain information attributable to
28 29 individual employees.

28 30 DIVISION VI

28 31 CORRECTIVE PROVISIONS

28 32 Sec. 57. Section 8A.202, subsection 2, paragraph e, if
28 33 enacted by 2003 Iowa Acts, House File 534, is amended by
28 34 striking the paragraph and inserting in lieu thereof the
28 35 following:

29 1 e. Developing and maintaining an electronic repository for
29 2 public access to reference copies of agency mandated reports,
29 3 newsletters, and publications in conformity with section
29 4 304B.10, subsection 1, paragraph "h". The department shall
29 5 develop technical standards for an electronic repository in
29 6 consultation with the state librarian and the state archivist.

29 7 Sec. 58. 2003 Iowa Acts, House File 289, section 1, is
29 8 amended by striking the section and inserting in lieu thereof
29 9 the following:

29 10 SECTION 1. Section 12C.1, subsection 2, paragraph e, Code
29 11 2003, as amended by 2003 Iowa Acts, Senate File 395, is
29 12 amended by adding the following new subparagraph:

29 13 NEW SUBPARAGRAPH. (6) Moneys placed in a depository for
29 14 the purpose of completing an electronic financial transaction
29 15 pursuant to section 8A.222 or 331.427.

29 16 Sec. 59. Section 99E.9, subsection 2, Code 2003, as
29 17 amended by 2003 Iowa Acts, House File 171, section 31, is
29 18 amended to read as follows:

29 19 2. Subject to the approval of the board, the commissioner
29 20 may enter into contracts for the operation and marketing of
29 21 the lottery, except that the board may by rule designate
29 22 classes of contracts other than major procurements which do
29 23 not require prior approval by the board. A major procurement
29 24 shall be as the result of competitive bidding with the
29 25 contract being awarded to the responsible vendor submitting
29 26 the lowest and best proposal. However, before a contract for
29 27 a major procurement is awarded, the division of criminal
29 28 investigation of the department of public safety shall conduct
29 29 a thorough background investigation of the vendor to whom the
29 30 contract is to be awarded. The commissioner and board shall
29 31 consult with the division of criminal investigation and shall
29 32 provide, by rule, for the scope of the thorough background
29 33 investigations and due diligence with regard to the background
29 34 investigations to be conducted in connection with major
29 35 procurements. The vendor shall submit to the division of
30 1 criminal investigation appropriate investigation
30 2 authorizations to facilitate this investigation. The
30 3 background investigation by the division of criminal
30 4 investigation may include a national criminal history ~~record~~
30 5 check through the federal bureau of investigation. The
30 6 screening of vendors or their employees through the federal
30 7 bureau of investigation shall be conducted by submission of
30 8 fingerprints through the state criminal history repository to
30 9 the federal bureau of investigation. As used in this
30 10 subsection, "major procurement" means consulting agreements
30 11 and the major procurement contract with a business
30 12 organization for the printing of tickets, or for purchase or
30 13 lease of equipment or services essential to the operation of a
30 14 lottery game.

30 15 Sec. 60. Section 99G.10, subsection 2, if enacted by 2003
30 16 Iowa Acts, Senate File 453, section 72, is amended to read as
30 17 follows:

30 18 2. Subject to the approval of the board, the chief
30 19 executive officer shall have the sole power to designate
30 20 particular employees as key personnel, but may take advice
30 21 from the department of personnel in making any such
30 22 designations. All key personnel shall be exempt from the
30 23 merit system described in chapter ~~19A~~ 8A, article 4. The
30 24 chief executive officer and the board shall have the sole
30 25 power to employ, classify, and fix the compensation of key
30 26 personnel. All other employees shall be employed, classified,
30 27 and compensated in accordance with ~~chapters 19A~~ chapter 8A,
30 28 article 4, and chapter 20.

30 29 Sec. 61. Section 99G.22, subsection 1, if enacted by 2003
30 30 Iowa Acts, Senate File 453, is amended to read as follows:

30 31 1. The authority shall investigate the financial
30 32 responsibility, security, and integrity of any lottery system

30 33 vendor who is a finalist in submitting a bid, proposal, or
30 34 offer as part of a major procurement contract. Before a major
30 35 procurement contract is awarded, the division of criminal
31 1 investigation of the department of public safety shall conduct
31 2 a background investigation of the vendor to whom the contract
31 3 is to be awarded. The chief executive officer and board shall
31 4 consult with the division of criminal investigation and shall
31 5 provide for the scope of the background investigation and due
31 6 diligence to be conducted in connection with major procurement
31 7 contracts. At the time of submitting a bid, proposal, or
31 8 offer to the authority on a major procurement contract, the
31 9 authority shall require that each vendor submit to the
31 10 division of criminal investigation appropriate investigation
31 11 authorization to facilitate this investigation, together with
31 12 an advance of funds to meet the anticipated investigation
31 13 costs. If the division of criminal investigation determines
31 14 that additional funds are required to complete an
31 15 investigation, the vendor will be so advised. The background
31 16 investigation by the division of criminal investigation may
31 17 include a national criminal history ~~record~~ check through the
31 18 federal bureau of investigation. The screening of vendors or
31 19 their employees through the federal bureau of investigation
31 20 shall be conducted by submission of fingerprints through the
31 21 state criminal history ~~record~~ repository to the federal bureau
31 22 of investigation.

31 23 Sec. 62. Section 99G.37, subsection 2, if enacted by 2003
31 24 Iowa Acts, Senate File 453, section 90, is amended to read as
31 25 follows:

31 26 2. In any bidding process, the authority may administer
31 27 its own bidding and procurement or may utilize the services of
31 28 the department of ~~general administrative services, or its~~
31 29 ~~successor,~~ or other state agency.

31 30 Sec. 63. Section 99G.38, subsection 3, if enacted by 2003
31 31 Iowa Acts, Senate File 453, section 91, is amended to read as
31 32 follows:

31 33 3. The state of Iowa offset program, as provided in
31 34 section ~~421.17~~ 8A.504, shall be available to the authority to
31 35 facilitate receipt of funds owed to the authority.

32 1 Sec. 64. Section 135.150, subsection 3, as enacted by 2003
32 2 Iowa Acts, House File 396, section 1, is amended to read as
32 3 follows:

32 4 3. "Director" means the director ~~or the director's~~
32 5 ~~designee~~ of public health ~~or the director's designee~~.

32 6 Sec. 65. Section 135.154, subsection 7, as enacted by 2003
32 7 Iowa Acts, House File 396, section 5, is amended to read as
32 8 follows:

32 9 7. Treat or order that individuals exposed to or infected
32 10 with disease receive treatment or prophylaxis. Treatment or
32 11 prophylaxis shall be administered by any qualified person
32 12 authorized to do so by the department. Treatment or
32 13 prophylaxis shall not be provided or ordered if the treatment
32 14 or prophylaxis is reasonably likely to lead to serious harm to
32 15 the affected individual. To prevent the spread of
32 16 communicable or potentially communicable disease, the
32 17 department may isolate or quarantine, pursuant to chapter 139A
32 18 and the rules implementing chapter 139A and this division of
32 19 this chapter, any individual who is unable or unwilling to
32 20 undergo treatment or prophylaxis pursuant to this section.

32 21 Sec. 66. Section 170.6, subsection 1, paragraph b, if
32 22 enacted by 2003 Iowa Acts, House File 624, is amended to read
32 23 as follows:

32 24 b. Failed to provide notice or access to the department of
32 25 natural resources ~~and the department of agriculture and land~~
32 26 ~~stewardship~~ as required by section 170.5.

32 27 Sec. 67. Section 231.56A, if enacted by 2003 Iowa Acts,
32 28 Senate File 416, section 1, is amended to read as follows:

32 29 231.56A ELDER ABUSE INITIATIVE, EMERGENCY SHELTER, AND
32 30 SUPPORT SERVICES PROJECTS.

32 31 1. Through the state's service contract process adopted
32 32 pursuant to section 8.47, the department shall identify area
32 33 agencies on aging that have demonstrated the ability to
32 34 provide a collaborative response to the immediate needs of
32 35 elders in the area agency on aging service area for the
33 1 purpose of implementing elder abuse initiative, emergency
33 2 shelter, and support services projects. The projects shall be
33 3 implemented only in the counties within an area agency on
33 4 aging service area that have a multidisciplinary team
33 5 established pursuant to section 235B.1.

33 6 2. The target population of the projects shall be any
33 7 elder residing in the service area of an area agency on aging
33 8 who meets both of the following conditions:

33 9 a. Is the subject of a report of suspected dependent adult
33 10 abuse pursuant to chapter 235B.

33 11 b. Is not receiving assistance under a county management
33 12 plan approved pursuant to section 331.439.

33 13 3. The area agencies on aging implementing the projects
33 14 shall identify allowable emergency shelter and support
33 15 services, state funding, outcomes, reporting requirements, and
33 16 approved community resources from which services may be
33 17 obtained under the projects. The area agency on aging shall
33 18 identify at least one provider of case management services for
33 19 the project area.

33 20 4. The area agencies on aging shall implement the projects
33 21 and shall coordinate the provider network through the use of
33 22 referrals or other engagement of community resources to
33 23 provide services to elders.

33 24 5. The department shall award funds to the area agencies
33 25 on aging in accordance with the state's service contract
33 26 process. Receipt and expenditures of moneys under the
33 27 projects are subject to examination, including audit, by the
33 28 department.

33 29 6. This section shall not be construed and is not intended
33 30 as, and shall not imply, a grant of entitlement for services
33 31 to individuals who are not otherwise eligible for the services
33 32 or for utilization of services that do not currently exist or
33 33 are not otherwise available.

33 34 Sec. 68. Section 232.71B, subsection 7A, if enacted by
33 35 2003 Iowa Acts, House File 558, section 1, is amended to read
34 1 as follows:

34 2 7A. PROTECTIVE DISCLOSURE. If the department determines
34 3 that disclosure is necessary for the protection of a child,
34 4 the department may disclose to a subject of a child abuse
34 5 report referred to in section 235A.15, subsection 2, paragraph
34 6 "a", that an individual is listed in the child or dependent
34 7 adult abuse registry or is required to register with the sex
34 8 offender registry in accordance with chapter 692A.

34 9 Sec. 69. Section 235B.3, subsection 6A, if enacted by 2003
34 10 Iowa Acts, House File 558, section 2, is amended to read as
34 11 follows:

34 12 6A. If the department determines that disclosure is
34 13 necessary for the protection of a dependent adult, the
34 14 department may disclose to a subject of a dependent adult
34 15 abuse report referred to in section 235B.6, subsection 2,
34 16 paragraph "a", that an individual is listed in the child or
34 17 dependent adult abuse registry or is required to register with
34 18 the sex offender registry in accordance with chapter 692A.

34 19 Sec. 70. Section 304B.3, subsections 4, 8, and 9, if
34 20 enacted by 2003 Iowa Acts, House File 648, section 6, are
34 21 amended to read as follows:

34 22 4. The director of revenue ~~and finance~~.

34 23 8. The director of the department of ~~general~~
34 24 administrative services.

34 25 9. ~~The director of the information technology department.~~

34 26 Sec. 71. Section 321.69, subsection 9, as amended by 2003
34 27 Iowa Acts, House File 502, section 3, is amended to read as
34 28 follows:

34 29 9. ~~This~~ Except for subsection 9A, this section does not
34 30 apply to motor trucks and truck tractors with a gross vehicle
34 31 weight rating of sixteen thousand pounds or more, vehicles
34 32 more than nine model years old, motorcycles, motorized
34 33 bicycles, and special mobile equipment. This section does
34 34 apply to motor homes. The requirement in subsection 1 that
34 35 the new certificate of title and registration receipt shall
35 1 state on the face of the title the total cumulative dollar
35 2 amount of damage does not apply to a vehicle with a
35 3 certificate of title bearing a designation that the vehicle
35 4 was previously titled on a salvage certificate of title
35 5 pursuant to section 321.52, subsection 4, paragraph "b", or to
35 6 a vehicle with a certificate of title bearing a "REBUILT" or
35 7 "SALVAGE" designation pursuant to section 321.24, subsection 4
35 8 or 5. ~~This~~ Except for subsection 9A, this section does not
35 9 apply to new motor vehicles with a true mileage, as defined in
35 10 section 321.71, of one thousand miles or less, unless such
35 11 vehicle has incurred damage as defined in subsection 2.

35 12 Sec. 72. Section 356.7, subsection 1, as amended by 2003
35 13 Iowa Acts, House File 650, section 1, if enacted, is amended
35 14 to read as follows:

35 15 1. The county sheriff, or a municipality operating a
35 16 temporary municipal holding facility or jail, may charge a
35 17 prisoner who is eighteen years of age or older and who has
35 18 been convicted of a criminal offense or sentenced for contempt
35 19 of court for violation of a domestic abuse order for the

35 20 actual administrative costs relating to the arrest and booking
35 21 of that prisoner, and for room and board provided to the
35 22 prisoner while in the custody of the county sheriff or
35 23 municipality. Moneys collected by the sheriff or municipality
35 24 under this section shall be credited ~~respectfully~~ respectively
35 25 to the county general fund or the city general fund and
35 26 distributed as provided in this section. If a prisoner who
35 27 has been convicted of a criminal offense or sentenced for
35 28 contempt of court for violation of a domestic abuse order
35 29 fails to pay for the administrative costs and the room and
35 30 board, the sheriff or municipality may file a room and board
35 31 reimbursement claim with the district court as provided in
35 32 subsection 2. The county attorney may file the reimbursement
35 33 claim on behalf of the sheriff and the county or the
35 34 municipality. The attorney for the municipality may also file
35 35 a reimbursement claim on behalf of the municipality. This
36 1 section does not apply to prisoners who are paying for their
36 2 room and board by court order pursuant to sections 356.26
36 3 through 356.35.

36 4 Sec. 73. Section 459.401, subsection 2, paragraph a,
36 5 subparagraph (3A), if enacted by 2003 Iowa Acts, House File
36 6 644, section 18, is amended to read as follows:

36 7 (3A) A commercial manure service license fee as provided
36 8 in section ~~359.316~~ 459.316.

36 9 Sec. 74. Section 505A.1, article V, section 2, paragraph
36 10 a, subparagraph (3), if enacted by 2003 Iowa Acts, House File
36 11 647, section 54, is amended to read as follows:

36 12 (3) Four members from those compacting states with less
36 13 than two percent of the market, based on the premium volume
36 14 described in subparagraph (1), with one selected from each of
36 15 the four zone regions of the national association of insurance
36 16 commissioners as provided in the bylaws.

36 17 Sec. 75. Section 508.31A, subsection 2, paragraph b, Code
36 18 2003, as amended by 2003 Iowa Acts, House File 647, section 7,
36 19 if enacted, is amended to read as follows:

36 20 b. A funding agreement issued pursuant to paragraph "a",
36 21 subparagraph (1), (2), or (3), shall be for a total amount of
36 22 not less than one million dollars.

36 23 Sec. 76. Section 692A.13, subsection 9, if enacted by 2003
36 24 Iowa Acts, House File 558, section 3, is amended to read as
36 25 follows:

36 26 9. If the department of human services determines that
36 27 disclosure is necessary for the protection of a child or a
36 28 dependent adult, the department may disclose to a subject of a
36 29 child abuse report referred to in section 235A.15, subsection
36 30 2, paragraph "a", or to a subject of a dependent adult abuse
36 31 report referred to in section 235B.6, subsection 2, paragraph
36 32 "a", that an individual is listed in the child or dependent
36 33 adult abuse registry or is required to register under this
36 34 chapter.

36 35 Sec. 77. Section 901.5, subsection 7A, paragraph d, as
37 1 enacted by 2003 Iowa Acts, House File 404, section 1, is
37 2 amended to read as follows:

37 3 d. Violation of a no-contact order issued under this
37 4 section is punishable by summary contempt proceedings. A
37 5 hearing in a contempt proceeding brought pursuant to this
37 6 subsection shall be held not less than five days and not more
37 7 than fifteen days after the issuance of a rule to show cause,
37 8 as set by the court, unless the defendant is already in
37 9 custody at the time of the alleged violation in which case the
37 10 hearing shall be held not less than five days and not more
37 11 than forty=five days after the issuance of the rule to show
37 12 cause.

37 13 Sec. 78. 2003 Iowa Acts, Senate File 155, section 26, is
37 14 repealed.

37 15 Sec. 79. 2003 Iowa Acts, Senate File 155, section 56, is
37 16 repealed.

37 17 Sec. 80. 2003 Iowa Acts, Senate File 453, section 44,
37 18 subsection 8, if enacted, is amended to read as follows:

37 19 8. STATUTORY REQUIREMENTS. The requirements of sections
37 20 ~~48-6~~ 8A.311 and 72.3 and the administrative rules implementing
37 21 section 8.47 are not applicable to the services procurement
37 22 process used to implement the outcomes-based service system
37 23 redesign in accordance with this section. The department of
37 24 human services may enter into competitive negotiations and
37 25 proposal modifications with each successful contractor as
37 26 necessary to implement the provisions of this section.

37 27 Sec. 81. 2003 Iowa Acts, House File 601, section 2, is
37 28 amended by striking the section and inserting in lieu thereof
37 29 the following:

37 30 SEC. 2. Section 56.5, subsection 2, paragraph d, Code

37 31 2003, is amended by striking the paragraph.
37 32 Sec. 82. 2003 Iowa Acts, House File 624, section 22, if
37 33 enacted, is amended to read as follows:
37 34 SEC. 22. HUNTING PRESERVES AND GAME BREEDERS == AUTOMATIC
37 35 CERTIFICATION. ~~Any A fence enclosing~~ farm deer kept on land
38 1 which is owned by a person licensed pursuant to section 484B.5
38 2 or 481A.61 ~~and which is enclosed with a fence~~ on the effective
38 3 date of this Act shall be deemed to comply with construction
38 4 requirements of section 170.4 and shall be automatically
38 5 certified by the department of agriculture and land
38 6 stewardship without ~~submitting~~ submission of an application.
38 7 The landowner is not required to notify the department of
38 8 natural resources concerning removal of whitetail as otherwise
38 9 required pursuant to section 170.5.

38 10 Sec. 83. 2003 Iowa Acts, House File 648, section 1, if
38 11 enacted, is repealed.

38 12 Sec. 84. CONTINGENT EFFECTIVE DATES.

38 13 1. The section of this division of this Act amending
38 14 section 8A.202, subsection 2, if enacted by 2003 Iowa Acts,
38 15 House File 534, takes effect if House File 648, relating to
38 16 the management of state archives and records, is enacted by
38 17 the Eightieth General Assembly, 2003 Regular Session.

38 18 2. The sections of this division of this Act amending
38 19 sections 12C.1, 99G.10, 99G.37, and 99G.38 take effect only if
38 20 House File 534 is enacted by the Eightieth General Assembly,
38 21 2003 Regular Session.

38 22 3. The sections of this division of this Act amending
38 23 section 304B.3, if enacted by 2003 Iowa Acts, House File 648,
38 24 and repealing 2003 Iowa Acts, House File 648, section 1, if
38 25 enacted, take effect if House File 534, establishing a
38 26 department of administrative services, is enacted by the
38 27 Eightieth General Assembly, 2003 Regular Session.

38 28 4. The section of this division of this Act repealing 2003
38 29 Iowa Acts, Senate File 155, section 26, takes effect if 2003
38 30 Iowa Acts, House File 614, relating to elections, is enacted
38 31 by the Eightieth General Assembly, 2003 Regular Session.

38 32 DIVISION VII
38 33 MISCELLANEOUS PROVISIONS

38 34 Sec. 85. Section 7J.1, subsection 1, if enacted by 2003
38 35 Iowa Acts, Senate File 453, is amended to read as follows:

39 1 7J.1 CHARTER AGENCIES.

39 2 1. DESIGNATION OF CHARTER AGENCIES == PURPOSE. The
39 3 governor may, by executive order, designate ~~up to five~~ state
39 4 departments or agencies, as described in section 7E.5, other
39 5 than the department of administrative services, if the
39 6 department is established in law, or the department of
39 7 management, as a charter agency by July 1, 2003. The
39 8 designation of a charter agency shall be for a period of five
39 9 years which shall terminate as of June 30, 2008. The purpose
39 10 of designating a charter agency is to grant the agency
39 11 additional authority as provided by this chapter while
39 12 reducing the total appropriations to the agency.

39 13 Sec. 86. Section 7J.1, subsection 3, paragraph a, if
39 14 enacted by 2003 Iowa Acts, Senate File 453, is amended to read
39 15 as follows:

39 16 a. It is the intent of the general assembly that state
39 17 general fund operating appropriations to a charter agency for
39 18 ~~any~~ the fiscal year beginning July 1, 2003, and ending June
39 19 30, 2004, shall be reduced, with a target reduction of ten
39 20 percent for each charter agency, from the appropriation that
39 21 would otherwise have been enacted for that charter agency
39 22 which, along with any additional generated revenue to the
39 23 general fund of the state attributed to the reinvention
39 24 process as determined by the department of management, over
39 25 that already committed to the general fund of the state by a
39 26 charter agency, will achieve an overall target of fifteen
39 27 million dollars.

39 28 Sec. 87. Section 7J.2, if enacted by 2003 Iowa Acts,
39 29 Senate File 453, is amended to read as follows:

39 30 7J.2 CHARTER AGENCY ~~LOAN~~ GRANT FUND.

39 31 1. A charter agency ~~loan~~ grant fund is created in the
39 32 state treasury under the control of the department of
39 33 management for the purpose of providing funding to support
39 34 innovation by those state agencies designated as charter
39 35 agencies in accordance with section 7J.1. Innovation purposes
40 1 shall include but are not limited to training, development of
40 2 outcome measurement systems, management system modifications,
40 3 and other modifications associated with transition of
40 4 operations to charter agency status. Moneys in the fund are
40 5 appropriated to the department of management for the purposes
40 6 described in this subsection.

40 7 2. A charter agency requesting a loan grant from the fund
40 8 shall complete an application process designated by the
40 9 director of the department of management. ~~Minimum loan~~
~~40 10 requirements for charter agency requests shall be determined~~
~~40 11 by the director.~~

~~40 12 3. In order for the fund to be self-supporting, the~~
~~40 13 director of the department of management shall establish~~
~~40 14 repayment schedules for each loan awarded. An agency shall~~
~~40 15 repay the loan over a period not to exceed five years with~~
~~40 16 interest, at a rate to be determined by the director.~~

~~40 17 4. 3. Notwithstanding section 12C.7, subsection 2,~~
40 18 interest or earnings on moneys deposited in the charter agency
40 19 loan grant fund shall be credited to the charter agency ~~loan~~
40 20 grant fund. Notwithstanding section 8.33, moneys credited to
40 21 the charter agency loan grant fund shall not revert to the
40 22 fund from which appropriated at the close of a fiscal year.

40 23 Sec. 88. Section 8.23, subsection 1, paragraph a, Code
40 24 2003, is amended by striking the paragraph.

40 25 Sec. 89. Section 8.31, Code 2003, is amended to read as
40 26 follows:

40 27 8.31 ~~QUARTERLY REQUISITIONS == ALLOTMENTS OF~~
40 28 ~~APPROPRIATIONS == EXCEPTIONS == MODIFICATIONS.~~

~~40 29 1. a. Before an appropriation for administration,~~
~~40 30 operation and maintenance of any department or establishment~~
~~40 31 shall become becomes available, there shall be submitted the~~
~~40 32 department or establishment shall submit to the director of~~
40 33 the department of management, ~~not less than twenty days before~~
~~40 34 the beginning of each quarter of each fiscal year, a~~
40 35 requisition for ~~an allotment of the amount estimated to be~~
~~41 1 necessary to carry on its work appropriation according to~~
~~41 2 dates identified in the requisition during the ensuing quarter~~
~~41 3 fiscal year by which portions of the appropriation will be~~
~~41 4 needed. The department or establishment shall submit the~~
~~41 5 requisition by June 1, prior to the start of a fiscal year or~~
~~41 6 by another date identified by the director. The requisition~~
41 7 shall contain details of proposed expenditures as may be
41 8 required by the director ~~of the department of management~~
41 9 subject to review by the governor.

41 10 b. The director of the department of management shall
41 11 approve the allotments subject to review by the governor,
41 12 unless it is found that the estimated budget resources during
41 13 the fiscal year are insufficient to pay all appropriations in
41 14 full, in which event such allotments may be modified to the
41 15 extent the governor may deem necessary in order that there
41 16 shall be no overdraft or deficit in the several funds of the
41 17 state at the end of the fiscal year, and the director shall
41 18 submit copies of the allotments thus approved or modified to
41 19 the head of the department or establishment concerned, who
41 20 shall set up such allotments on the books and be governed
41 21 accordingly in the control of expenditures.

~~41 22 Allotments of appropriations made for equipment, land,~~
~~41 23 permanent improvements, and other capital projects may,~~
~~41 24 however, be allotted in one amount by major classes or~~
~~41 25 projects for which they are expendable without regard to~~
~~41 26 quarterly periods. For fiscal years beginning on or after~~
~~41 27 July 1, 1989, allotments of appropriations for equipment,~~
~~41 28 land, permanent improvements, and other capital projects,~~
~~41 29 except where contracts have been entered into with regard to~~
~~41 30 the acquisition or project prior to July 1, 1989, shall not be~~
~~41 31 allotted in one amount but shall be allotted at quarterly~~
~~41 32 periods as provided in this section.~~

41 33 2. Allotments ~~thus~~ made in accordance with subsection 1
41 34 may be subsequently modified by the director of the department
41 35 of management at the direction of the governor either upon the
42 1 written request of the head of the department or establishment
42 2 concerned, or in the event the governor finds that the
42 3 estimated budget resources during the fiscal year are
42 4 insufficient to pay all appropriations in full, upon the
42 5 governor's own initiative to the extent the governor may deem
42 6 necessary in order that there shall be no overdraft or deficit
42 7 in the several funds of the state at the end of the fiscal
42 8 year; and the head of the department or establishment shall be
42 9 given notice of a modification in the same way as in the case
42 10 of original allotments.

42 11 3. ~~Provided, however, that the~~ The allotment requests of
42 12 all departments and establishments collecting governmental
42 13 fees and other revenue which supplement a state appropriation
42 14 shall attach to the summary of requests a statement showing
42 15 how much of the proposed allotments are to be financed from
42 16 ~~(1)~~ state appropriations, ~~(2)~~ stores, and ~~(3)~~ repayment
42 17 receipts.

42 18 4. The procedure to be employed in controlling the
42 19 expenditures and receipts of the state fair board and the
42 20 institutions under the state board of regents, whose
42 21 collections are not deposited in the state treasury, is that
42 22 outlined in section 421.31, subsection 6.

42 23 5. If the governor determines that the estimated budget
42 24 resources during the fiscal year are insufficient to pay all
42 25 appropriations in full, the reductions shall be uniform and
42 26 prorated between all departments, agencies and establishments
42 27 upon the basis of their respective appropriations.

42 28 6. Allotments from appropriations for the foreign trade
42 29 offices of the department of economic development, if the
42 30 appropriations are described by line item in the department's
42 31 appropriation Act or another Act, may be made ~~without regard~~
~~42 32 to quarterly periods~~ as is necessary to take advantage of the
42 33 most favorable foreign currency exchange rates.

42 34 Sec. 90. Section 8.57, subsection 1, paragraph c, Code
42 35 2003, is amended to read as follows:

43 1 c. The amount appropriated in this section is not subject
43 2 to the provisions of section 8.31, relating to ~~quarterly~~
43 3 requisitions and allotment, or to section 8.32, relating to
43 4 conditional availability of appropriations.

43 5 Sec. 91. Section 12B.10, subsection 6, paragraph d,
43 6 subparagraph (4), Code 2003, is amended to read as follows:

43 7 (4) For investments of short-term operating funds, the
43 8 funds shall not be invested in investments having effective
43 9 maturities exceeding sixty-three months.

43 10 Sec. 92. Section 12B.10A, subsection 6, paragraph d,
43 11 subparagraph (4), Code 2003, is amended to read as follows:

43 12 (4) For investments of short-term operating funds, the
43 13 funds shall not be invested in investments having effective
43 14 maturities exceeding sixty-three months.

43 15 Sec. 93. Section 12C.27, Code 2003, is amended by striking
43 16 the section and inserting in lieu thereof the following:

43 17 12C.27 FAILURE TO MAINTAIN REQUIRED COLLATERAL.

43 18 If the treasurer of state determines that a bank fails to
43 19 comply with chapter 12C.22, subsections 2 and 3, the treasurer
43 20 of state may restrict that bank from accepting uninsured
43 21 public funds and shall notify the office of thrift
43 22 supervision, the office of the comptroller of the currency, or
43 23 the superintendent as applicable, who may take such action
43 24 against the bank, its board of directors and officers as
43 25 permitted by law.

43 26 Sec. 94. Section 12E.12, subsection 8, Code 2003, is
43 27 amended to read as follows:

43 28 8. With respect to the payment of certain debt service,
43 29 the debt service to be paid shall be those installments of
43 30 debt service on bonds selected by the treasurer of state and
43 31 identified in the authority's tax certificate delivered at the
43 32 time of the issuance of the bonds issued pursuant to this
43 33 chapter, or as otherwise selected by the treasurer of state.
43 34 Once the bonds and the installments of debt service thereon
43 35 are so selected, that debt service and bonds shall not be
44 1 paid, or provided to be paid, from any other source including
44 2 the state or any of its departments or agencies. Provided,
44 3 however, that if funds are not appropriated to pay debt
44 4 service on such bonds when due, the issuing agency shall pay
44 5 ~~such the~~ debt service from any available source as provided in
44 6 the bond covenants ~~for such bonds~~. To the extent that this
44 7 section does not allow proceeds of previously issued refunding
44 8 bonds to be applied for the purpose of the refunding, the
44 9 issuing agency may expend such proceeds to improve, remodel,
44 10 or repair buildings or other infrastructure upon authorization
44 11 of the issuing agency's authority.

44 12 Sec. 95. Section 15E.42, subsection 3, Code 2003, is
44 13 amended to read as follows:

44 14 3. "Investor" means an individual making a cash investment
44 15 in a qualifying business or an individual taxed on income from
44 16 a revocable trust's cash investment in a qualifying business
44 17 or a person making a cash investment in a community-based seed
44 18 capital fund. "Investor" does not include a person which is a
44 19 current or previous owner, member, or shareholder in a
44 20 qualifying business.

44 21 Sec. 96. Section 15E.43, subsection 1, paragraph a, Code
44 22 2003, is amended to read as follows:

44 23 a. For tax years beginning on or after January 1, 2002, a
44 24 tax credit shall be allowed against the taxes imposed in
44 25 chapter 422, division II, for a portion of an individual
44 26 taxpayer's equity investment, as provided in subsection 2, in
44 27 a qualifying business. An individual shall not claim a tax
44 28 credit under this paragraph of a partnership, limited

44 29 liability company, S corporation, estate, or trust electing to
44 30 have income taxed directly to the individual. However, an
44 31 individual receiving income from a revocable trust's
44 32 investment in a qualified business may claim a tax credit
44 33 under this paragraph against the taxes imposed in chapter 422,
44 34 division II, for a portion of the revocable trust's equity
44 35 investment, as provided in subsection 2, in a qualified
45 1 business.

45 2 Sec. 97. Section 15E.43, subsection 1, Code 2003, is
45 3 amended by adding the following new paragraph:

45 4 NEW PARAGRAPH. d. In the case of a tax credit allowed
45 5 against the taxes imposed in chapter 422, division II, where
45 6 the taxpayer died prior to redeeming the entire tax credit,
45 7 the remaining credit can be redeemed on the decedent's final
45 8 income tax return.

45 9 Sec. 98. Section 15E.45, subsection 2, paragraph c, Code
45 10 2003, is amended to read as follows:

45 11 c. The fund has no fewer than ten ~~individual~~ investors who
45 12 are not affiliates, with no single investor and affiliates of
45 13 that investor together owning a total of more than twenty-five
45 14 percent of the ownership interests outstanding in the fund.

45 15 Sec. 99. Section 15E.51, subsection 4, Code 2003, is
45 16 amended to read as follows:

45 17 4. A taxpayer shall not claim a tax credit under this
45 18 section if the taxpayer is a venture capital investment fund
45 19 allocation manager for the Iowa fund of funds created in
45 20 section 15E.65 or an investor that receives a tax credit for
45 21 ~~an~~ the same investment in a community-based seed capital fund
45 22 as defined in 2002 Iowa Acts, House File 2271.

45 23 Sec. 100. Section 15E.193B, subsection 4, Code 2003, is
45 24 amended to read as follows:

45 25 4. The eligible housing business shall complete its
45 26 building or rehabilitation within two years from the time the
45 27 business begins construction on the single-family homes and
45 28 dwelling units. The failure to complete construction or
45 29 rehabilitation within two years shall result in the eligible
45 30 housing business becoming ineligible and subject to the
45 31 repayment requirements and penalties enumerated in subsection
45 32 7. The department may extend the prescribed two-year

45 33 completion period for any project which has not been completed
45 34 if the department determines that completion within the two-
45 35 year period is impossible or impractical as a result of a
46 1 substantial loss caused by flood, fire, earthquake, storm, or
46 2 other catastrophe. For purposes of this subsection,
46 3 "substantial loss" means damage or destruction in an amount in
46 4 excess of thirty percent of the project's expected eligible
46 5 basis as set forth in the eligible housing business's
46 6 application.

46 7 Sec. 101. NEW SECTION. 16.181 HOUSING TRUST FUND.

46 8 1. a. A housing trust fund is created within the
46 9 authority. The moneys in the housing trust fund are annually
46 10 appropriated to the authority to be used for the development
46 11 and preservation of affordable housing for low-income people
46 12 in the state. Payment of interest, recaptures of awards, or
46 13 other repayments to the housing trust fund shall be deposited
46 14 in the fund. Notwithstanding section 12C.7, interest or
46 15 earnings on moneys in the housing trust fund or appropriated
46 16 to the fund shall be credited to the fund. Notwithstanding
46 17 section 8.33, unencumbered and unobligated moneys remaining in
46 18 the fund at the close of each fiscal year shall not revert but
46 19 shall remain available for expenditure for the same purposes
46 20 in the succeeding fiscal year.

46 21 b. Assets in the housing trust fund shall consist of all
46 22 of the following:

46 23 (1) Any assets received by the authority from the Iowa
46 24 housing corporation.

46 25 (2) Any assets transferred by the authority for deposit in
46 26 the housing trust fund.

46 27 (3) Any other moneys appropriated by the general assembly
46 28 and any other moneys available to and obtained or accepted by
46 29 the authority for placement in the housing trust fund.

46 30 c. The authority shall create the following programs
46 31 within the housing trust fund:

46 32 (1) Local housing trust fund program. Sixty percent of
46 33 available moneys in the housing trust fund shall be allocated
46 34 for the local housing trust fund program. Any moneys
46 35 remaining in the local housing trust fund program on April 1
47 1 of each fiscal year which have not been awarded to a local
47 2 housing trust fund may be transferred to the project-based
47 3 housing program at any time prior to the end of the fiscal
47 4 year.

47 5 (2) Project-based housing program. Forty percent of the
47 6 available moneys in the housing trust fund shall be allocated
47 7 to the project-based housing program.

47 8 2. a. In order to be eligible to apply for funding from
47 9 the local housing trust fund program, a local housing trust
47 10 fund must be approved by the authority and have all of the
47 11 following:

47 12 (1) A local governing board recognized by the city,
47 13 county, council of governments, or regional officials as the
47 14 board responsible for coordinating local housing programs.

47 15 (2) A housing assistance plan approved by the authority.

47 16 (3) Sufficient administrative capacity in regard to
47 17 housing programs.

47 18 (4) A local match requirement approved by the authority.

47 19 b. An award from the local housing trust fund program
47 20 shall not exceed ten percent of the balance in the program at
47 21 the beginning of the fiscal year plus ten percent of any
47 22 deposits made during the fiscal year.

47 23 c. By December 31 of each year, a local housing trust fund
47 24 receiving moneys from the local housing trust fund program
47 25 shall submit a report to the authority itemizing expenditures
47 26 of the awarded moneys.

47 27 3. In an area where no local housing trust fund exists, a
47 28 person may apply for moneys from the project-based housing
47 29 program.

47 30 4. The authority shall adopt rules pursuant to chapter 17A
47 31 necessary to administer this section.

47 32 Sec. 102. Section 25.1, Code 2003, is amended by adding
47 33 the following new subsection:

47 34 NEW SUBSECTION. 4. Notwithstanding subsections 1 and 2,
47 35 and section 25.2, the state appeal board shall not consider
48 1 claims for refund of the unused portion of vehicle
48 2 registration fees collected under section 321.105.

48 3 Sec. 103. Section 28.9, subsection 2, Code 2003, is
48 4 amended to read as follows:

48 5 2. a. A school ready children grants account is created
48 6 in the Iowa empowerment fund under the authority of the
48 7 director of the department of education. Moneys credited to
48 8 the account shall be distributed by the department of
48 9 education in the form of grants to community empowerment areas
48 10 pursuant to criteria established by the Iowa board in
48 11 accordance with law.

48 12 b. The distribution formula utilized by the Iowa board for
48 13 school ready children grants in the fiscal year beginning July
48 14 1, 2004, and for each succeeding fiscal year, shall
48 15 specifically incorporate the following components:

48 16 (1) A minimum statewide performance baseline shall be
48 17 established for the core indicators of performance identified
48 18 pursuant to section 28.8, subsection 1, paragraph "a".

48 19 (2) A community empowerment area must maintain its
48 20 designated status in good standing and must have received
48 21 continued approval of its school ready children grant plan.

48 22 (3) The community empowerment area must identify how the
48 23 core indicators of performance will be addressed by the area
48 24 and select two or more of the core indicators that will
48 25 achieve a minimum percentage of improvement identified by the

48 26 area, subject to approval by the Iowa board. The community
48 27 empowerment area's data for the calendar year preceding the
48 28 year in which the area initially received a school ready
48 29 children grant shall be used as the area's baseline year.

48 30 (4) If an area achieves the identified percentage level of
48 31 improvement in the preceding calendar year, the area's minimum
48 32 grant amount shall be the annualized grant amount received in
48 33 the area's initial year of funding. The Iowa board may
48 34 implement provisions for averaging the performance levels over
48 35 two or more years and other approaches to apply the
49 1 requirements of this paragraph "b" in an equitable manner.

49 2 (5) If an area does not achieve the identified percentage
49 3 level of improvement in the preceding calendar year, the area
49 4 shall receive a reduction from the area's minimum grant
49 5 amount. If the identified percentage level of improvement is
49 6 achieved in the next succeeding calendar year, the area's
49 7 minimum grant amount shall be restored.

49 8 Sec. 104. Section 29C.8, subsection 3, Code 2003, is
49 9 amended by adding the following new paragraphs:

49 10 NEW PARAGRAPH. f. (1) Approve and support the
49 11 development and ongoing operations of an urban search and
49 12 rescue team to be deployed as a resource to supplement and
49 13 enhance emergency and disaster operations.

49 14 (2) A member of an urban search and rescue team acting
49 15 under the authority of the administrator or pursuant to a

49 16 governor's disaster proclamation as provided in section 29C.6
49 17 shall be considered an employee of the state under chapter 669
49 18 and shall be afforded protection as an employee of the state
49 19 under section 669.21. Disability, workers' compensation, and
49 20 death benefits for team members working under the authority of
49 21 the administrator or pursuant to the provisions of section
49 22 29C.6 shall be paid by the state in a manner consistent with
49 23 the provisions of chapter 85, 410, or 411 as appropriate,
49 24 depending on the status of the member.

49 25 NEW PARAGRAPH. g. Develop, implement, and support a
49 26 uniform incident command system to be used by state agencies
49 27 to facilitate efficient and effective assistance to those
49 28 affected by emergencies and disasters. This system shall be
49 29 consistent with the requirements of the United States
49 30 occupational safety and health administration and a national
49 31 incident management system.

49 32 Sec. 105. Section 29C.20, subsection 1, Code 2003, is
49 33 amended to read as follows:

49 34 1. a. A contingent fund is created in the state treasury
49 35 for the use of the executive council which may be expended for
50 1 ~~the purpose of paying following purposes:~~

50 2 (1) Paying the expenses of suppressing an insurrection or
50 3 riot, actual or threatened, when state aid has been rendered
50 4 by order of the governor, ~~and for repairing,~~

50 5 (2) Repairing, rebuilding, or restoring state property
50 6 injured, destroyed, or lost by fire, storm, theft, or
50 7 unavoidable cause, ~~and for repairing,~~

50 8 (3) Repairing, rebuilding, or restoring state property
50 9 ~~which that~~ is fiberoptic cable and ~~which that~~ is injured or
50 10 destroyed by a wild animal, ~~and for aid to,~~

50 11 (4) Paying the expenses incurred by and claims of an urban
50 12 search and rescue team when acting under the authority of the
50 13 administrator and the provisions of section 29C.6 and disaster
50 14 medical assistance teams when acting under the provisions of
50 15 section 135.153.

50 16 (5) (a) Aiding any governmental subdivision in an area
50 17 declared by the governor to be a disaster area due to natural
50 18 disasters or to expenditures necessitated by the governmental
50 19 subdivision toward averting or lessening the impact of the
50 20 potential disaster, where the effect of the disaster or action
50 21 on the governmental subdivision is the immediate financial
50 22 inability to meet the continuing requirements of local
50 23 government.

50 24 (b) Upon application by a governmental subdivision in such
50 25 an area, accompanied by a showing of obligations and
50 26 expenditures necessitated by an actual or potential disaster
50 27 in a form and with further information the executive council
50 28 requires, the aid may be made in the discretion of the
50 29 executive council and, if made, shall be in the nature of a
50 30 loan up to a limit of seventy-five percent of the showing of
50 31 obligations and expenditures. The loan, without interest,
50 32 shall be repaid by the maximum annual emergency levy
50 33 authorized by section 24.6, or by the appropriate levy
50 34 authorized for a governmental subdivision not covered by
50 35 section 24.6. The aggregate total of loans shall not exceed
51 1 one million dollars during a fiscal year. A loan shall not be
51 2 for an obligation or expenditure occurring more than two years
51 3 previous to the application.

51 4 b. When a state department or agency requests that moneys
51 5 from the contingent fund be expended to repair, rebuild, or
51 6 restore state property injured, destroyed, or lost by fire,
51 7 storm, theft, or unavoidable cause, or to repair, rebuild, or
51 8 restore state property ~~which that~~ is fiberoptic cable and
51 9 ~~which that~~ is injured or destroyed by a wild animal, or for
51 10 payment of the expenses incurred by and claims of an urban
51 11 search and rescue team when acting under the authority of the
51 12 administrator and the provisions of section 29C.6, the

51 13 executive council shall consider the original source of the
51 14 funds for acquisition of the property before authorizing the
51 15 expenditure. If the original source was other than the
51 16 general fund of the state, the department or agency shall be
51 17 directed to utilize moneys from the original source if
51 18 possible. The executive council shall not authorize the
51 19 repairing, rebuilding, or restoring of the property from the
51 20 disaster aid contingent fund if it determines that moneys from
51 21 the original source are available to finance the project.

51 22 Sec. 106. Section 80B.5, Code 2003, is amended to read as
51 23 follows:

51 24 80B.5 ADMINISTRATION.

51 25 The administration of the Iowa law enforcement academy and
51 26 council Act shall be vested in the office of the governor. ~~A~~

~~51 27 director of the academy and such staff Staff as may be
51 28 necessary for it the law enforcement academy to function shall
51 29 be employed pursuant to the Iowa merit system.~~

51 30 Sec. 107. NEW SECTION. 80B.5A DIRECTOR.
51 31 The governor shall appoint the director of the Iowa law
51 32 enforcement academy, subject to senate confirmation, to a
51 33 four-year term beginning and ending as provided in section
51 34 69.19.

51 35 Sec. 108. Section 99G.9, subsection 3, paragraph j, if
52 1 enacted by 2003 Iowa Acts, Senate File 453, is amended by
52 2 striking the paragraph.

52 3 Sec. 109. Section 99G.40, subsection 5, if enacted by 2003
52 4 Iowa Acts, Senate File 453, is amended to read as follows:

52 5 5. The authority shall adopt the same fiscal year as that
52 6 used by state government and shall be audited annually by the
52 7 auditor of state or a certified public accounting firm
52 8 appointed by the auditor. The auditor of state or a designee
52 9 conducting an audit under this chapter shall have access and
52 10 authority to examine any and all records of licensees
52 11 necessary to determine compliance with this chapter and the
52 12 rules adopted pursuant to this chapter. The cost of audits
52 13 and examinations conducted by the auditor of state or a
52 14 designee shall be paid for by the authority.

52 15 Sec. 110. NEW SECTION. 174.24 LIABILITY OF COUNTY FAIR
52 16 SOCIETY.

52 17 A society, as defined in section 174.1, shall be immune
52 18 from liability for any damages incurred at a county fair held
52 19 by the society if the damages were incurred on or at an
52 20 exhibit, leased facility, amusement ride, or an activity not
52 21 under the control of the society, if the county fair requires
52 22 the vendor in control of the exhibit, leased facility,
52 23 amusement ride, or other activity to obtain liability
52 24 insurance of at least three hundred thousand dollars. An
52 25 officer or employee of a society, as defined in section 174.1,
52 26 shall not be held liable for punitive damages as a result of
52 27 acts in the performance of the officer's or employee's duties,
52 28 unless reckless misconduct is proven.

52 29 Sec. 111. Section 257.11, subsection 5, paragraph b, Code
52 30 2003, is amended to read as follows:

52 31 b. A school district which establishes a regional academy
52 32 shall be eligible to assign its resident pupils attending
52 33 classes at the academy a weighting of one-tenth of the
52 34 percentage of the pupil's school day during which the pupil
52 35 attends classes at the regional academy. For the purposes of
53 1 this subsection, "regional academy" means an educational
53 2 institution established by a school district to which multiple
53 3 schools send pupils in grades ~~seven~~ nine through twelve, and
53 4 may include a virtual academy. A regional academy shall
53 5 include in its curriculum advanced-level courses and may
53 6 include in its curriculum vocational-technical ~~programs~~
53 7 courses. The maximum amount of additional weighting for which
53 8 a school district establishing a regional academy shall be
53 9 eligible is an amount corresponding to fifteen additional
53 10 pupils. The minimum amount of additional weighting for which
53 11 a school district establishing a regional academy shall be
53 12 eligible is an amount corresponding to ten additional pupils
53 13 if the academy provides both advanced-level courses and
53 14 vocational-technical courses. However, if the sum of the
53 15 funding amount calculated for all districts operating regional
53 16 academies under this subsection exceeds one million dollars
53 17 for the school year beginning July 1, 2004, and each
53 18 succeeding fiscal year, the director of the department of
53 19 management shall prorate the amount calculated for each
53 20 district. The proration shall be based upon the amount
53 21 calculated for each district when compared to the sum of the
53 22 amount for all districts.

53 23 Sec. 112. Section 260C.14, Code 2003, is amended by adding
53 24 the following new subsection:

53 25 NEW SUBSECTION. 20. Adopt a policy to offer not less than
53 26 the following options to a student who is a member of the Iowa
53 27 national guard or reserve forces of the United States and who
53 28 is ordered to active state service or federal service or duty:

53 29 a. Withdraw from the student's entire registration and
53 30 receive a full refund of tuition and mandatory fees.

53 31 b. Make arrangements with the student's instructors for
53 32 course grades, or for incompletes that shall be completed by
53 33 the student at a later date. If such arrangements are made,
53 34 the student's registration shall remain intact and tuition and
53 35 mandatory fees shall be assessed for the courses in full.

54 1 c. Make arrangements with only some of the student's
54 2 instructors for course grades, or for incompletes that shall

54 3 be completed by the student at a later date. If such
54 4 arrangements are made, the registration for those courses
54 5 shall remain intact and tuition and mandatory fees shall be
54 6 assessed for those courses. Any course for which arrangements
54 7 cannot be made for grades or incompletes shall be considered
54 8 dropped and the tuition and mandatory fees for the course
54 9 refunded.

54 10 Sec. 113. Section 261.9, subsection 1, unnumbered
54 11 paragraph 1, Code 2003, is amended to read as follows:

54 12 "Accredited private institution" means an institution of
54 13 higher learning located in Iowa which is operated privately
54 14 and not controlled or administered by any state agency or any
54 15 subdivision of the state, except for county hospitals as
54 16 provided in paragraph "c" of this subsection, and which meets
54 17 at least one of the criteria in paragraphs "a" through "c" and
54 18 all of the criteria in paragraphs "d" through "~~f~~" "g":

54 19 Sec. 114. Section 261.9, subsection 1, Code 2003, is
54 20 amended by adding the following new paragraph:

54 21 NEW PARAGRAPH. g. Adopts a policy to offer not less than
54 22 the following options to a student who is a member of the Iowa
54 23 national guard or reserve forces of the United States and who
54 24 is ordered to active state service or federal service or duty:

54 25 (1) Withdraw from the student's entire registration and
54 26 receive a full refund of tuition and mandatory fees.

54 27 (2) Make arrangements with the student's instructors for
54 28 course grades, or for incompletes that shall be completed by
54 29 the student at a later date. If such arrangements are made,
54 30 the student's registration shall remain intact and tuition and
54 31 mandatory fees shall be assessed for the courses in full.

54 32 (3) Make arrangements with only some of the student's
54 33 instructors for grades, or for incompletes that shall be
54 34 completed by the student at a later date. If such
54 35 arrangements are made, the registration for those courses
55 1 shall remain intact and tuition and mandatory fees shall be
55 2 assessed for those courses. Any course for which arrangements
55 3 cannot be made for grades or incompletes shall be considered
55 4 dropped and the tuition and mandatory fees for the course
55 5 refunded.

55 6 Sec. 115. Section 262.9, Code 2003, is amended by adding
55 7 the following new subsection:

55 8 NEW SUBSECTION. 29. Direct the institutions of higher
55 9 education under its control to adopt a policy to offer not
55 10 less than the following options to a student who is a member
55 11 of the Iowa national guard or reserve forces of the United
55 12 States and who is ordered to active state service or federal
55 13 service or duty:

55 14 a. Withdraw from the student's entire registration and
55 15 receive a full refund of tuition and mandatory fees.

55 16 b. Make arrangements with the student's instructors for
55 17 course grades, or for incompletes that shall be completed by
55 18 the student at a later date. If such arrangements are made,
55 19 the student's registration shall remain intact and tuition and
55 20 mandatory fees shall be assessed for the courses in full.

55 21 c. Make arrangements with only some of the student's
55 22 instructors for grades, or for incompletes that shall be
55 23 completed by the student at a later date. If such
55 24 arrangements are made, the registration for those courses
55 25 shall remain intact and tuition and mandatory fees shall be
55 26 assessed for those courses. Any course for which arrangements
55 27 cannot be made for grades or incompletes shall be considered
55 28 dropped and the tuition and mandatory fees for the course
55 29 refunded.

55 30 Sec. 116. Section 284.13, subsection 1, paragraph a, Code
55 31 2003, is amended to read as follows:

55 32 a. For each fiscal year in the fiscal year period
55 33 beginning July 1, ~~2001~~ 2003, and ending June 30, ~~2002~~ 2005,
55 34 the department shall reserve up to ~~one million five hundred~~
55 35 thousand dollars of any moneys appropriated for purposes of

56 1 this chapter. For each fiscal year in which moneys are
56 2 appropriated by the general assembly for purposes of team=
56 3 based variable pay pursuant to section 284.11, the amount of
56 4 moneys allocated to school districts shall be in the
56 5 proportion that the basic enrollment of a school district
56 6 bears to the sum of the basic enrollments of all participating
56 7 school districts for the budget year. However, the per pupil
56 8 amount distributed to a school district under the pilot
56 9 program shall not exceed one hundred dollars.

56 10 Sec. 117. Section 284.13, subsection 1, paragraph g,
56 11 unnumbered paragraph 1, Code 2003, is amended to read as
56 12 follows:

56 13 For each fiscal year in which funds are appropriated for

56 14 purposes of this chapter, the moneys remaining after
56 15 distribution as provided in paragraphs "a" through "f" and "h"
56 16 shall be allocated to school districts for salaries and career
56 17 development in accordance with the following formula:

56 18 Sec. 118. Section 294A.25, subsection 6, Code 2003, is
56 19 amended by striking the subsection.

56 20 Sec. 119. Section 294A.25, subsections 7, 8, and 9, Code
56 21 2003, are amended to read as follows:

56 22 7. ~~For Except as otherwise provided in this section, for~~
56 23 the fiscal year beginning July 1, ~~1990~~ 2003, and succeeding
56 24 fiscal years, the remainder of moneys appropriated in
56 25 subsection 1 to the department of education shall be deposited
56 26 in the educational excellence fund to be allocated in an
56 27 amount to meet the ~~minimum salary~~ requirements of this chapter
56 28 for phase I, ~~in an amount to meet the requirements for and~~
56 29 ~~phase II, and the remainder of the appropriation for phase~~
56 30 ~~III.~~

56 31 8. Commencing with the fiscal year beginning July 1, ~~1997~~
56 32 2003, the amount of two hundred thirty thousand dollars for a
56 33 kindergarten to grade twelve management information system
56 34 ~~from additional funds transferred from phase I to phase III.~~

56 35 9. For the fiscal year beginning July 1, ~~2000~~ 2003, and
57 1 for each succeeding fiscal year, the amount of one hundred
57 2 seventy thousand dollars to the state board of regents for
57 3 distribution in the amount of sixty-eight thousand dollars to
57 4 the Iowa braille and sight saving school and in the amount of
57 5 one hundred two thousand dollars to the Iowa state school for
57 6 the deaf ~~from phase III moneys.~~

57 7 Sec. 120. Section 321J.2, subsection 2, paragraph a,
57 8 subparagraph (3), subparagraph subdivisions (a) and (b), as
57 9 enacted by 2003 Iowa Acts, House File 65, section 2, are
57 10 amended to read as follows:

57 11 (a) A defendant whose alcohol concentration is .08 or more
57 12 but not more than .10 shall not be eligible for any temporary
57 13 restricted license for at least thirty days if a test was
57 14 obtained and an accident resulting in personal injury or
57 15 property damage occurred. The defendant shall be ordered to
57 16 install an ignition interlock device of a type approved by the
57 17 commissioner of public safety on all vehicles owned or
57 18 operated by the defendant if the defendant seeks a temporary
57 19 restricted license. There shall be no such period of
57 20 ineligibility if no such accident occurred, and the defendant
57 21 shall not be ordered to install an ignition interlock device.

57 22 (b) A defendant whose alcohol concentration is more than
57 23 .10 shall not be eligible for any temporary restricted license
57 24 for at least thirty days if a test was obtained, and an
57 25 accident resulting in personal injury or property damage
57 26 occurred or the defendant's alcohol concentration exceeded
57 27 .15. There shall be no such period of ineligibility if no
57 28 such accident occurred and the defendant's alcohol
57 29 concentration did not exceed .15. In either case, where a
57 30 defendant's alcohol concentration is more than .10, the
57 31 defendant shall be ordered to install an ignition interlock
57 32 device of a type approved by the commissioner of public safety
57 33 on all vehicles owned or operated by the defendant if the
57 34 defendant seeks a temporary restricted license.

57 35 Sec. 121. Section 321J.4, subsection 1, paragraphs a and
58 1 b, as enacted by 2003 Iowa Acts, House File 65, section 3, are
58 2 amended to read as follows:

58 3 a. A defendant whose alcohol concentration is .08 or more
58 4 but not more than .10 shall not be eligible for any temporary
58 5 restricted license for at least thirty days if a test was
58 6 obtained and an accident resulting in personal injury or
58 7 property damage occurred. The defendant shall be ordered to
58 8 install an ignition interlock device of a type approved by the
58 9 commissioner of public safety on all vehicles owned or
58 10 operated by the defendant if the defendant seeks a temporary
58 11 restricted license. There shall be no such period of
58 12 ineligibility if no such accident occurred, and the defendant
58 13 shall not be ordered to install an ignition interlock device.

58 14 b. A defendant whose alcohol concentration is more than
58 15 .10 shall not be eligible for any temporary restricted license
58 16 for at least thirty days if a test was obtained, and an
58 17 accident resulting in personal injury or property damage
58 18 occurred or the defendant's alcohol concentration exceeded
58 19 .15. There shall be no such period of ineligibility if no
58 20 such accident occurred and the defendant's alcohol
58 21 concentration did not exceed .15. In either case, where a
58 22 defendant's alcohol concentration is more than .10, the
58 23 defendant shall be ordered to install an ignition interlock
58 24 device of a type approved by the commissioner of public safety

58 25 on all vehicles owned or operated by the defendant if the
58 26 defendant seeks a temporary restricted license.
58 27 Sec. 122. Section 321J.4, subsection 3, paragraphs a and
58 28 b, as enacted by 2003 Iowa Acts, House File 65, section 3, are
58 29 amended to read as follows:
58 30 a. A defendant whose alcohol concentration is .08 or more
58 31 but not more than .10 shall not be eligible for any temporary
58 32 restricted license for at least thirty days if a test was
58 33 obtained and an accident resulting in personal injury or
58 34 property damage occurred. The defendant shall be ordered to
58 35 install an ignition interlock device of a type approved by the
59 1 commissioner of public safety on all vehicles owned or
59 2 operated by the defendant if the defendant seeks a temporary
59 3 restricted license. There shall be no such period of
59 4 ineligibility if no such accident occurred, and the defendant
59 5 shall not be ordered to install an ignition interlock device.
59 6 b. A defendant whose alcohol concentration is more than
59 7 .10 shall not be eligible for any temporary restricted license
59 8 for at least thirty days if a test was obtained, and an
59 9 accident resulting in personal injury or property damage
59 10 occurred or the defendant's alcohol concentration exceeded
59 11 .15. There shall be no such period of ineligibility if no
59 12 such accident occurred and the defendant's alcohol
59 13 concentration did not exceed .15. In either case, where a
59 14 defendant's alcohol concentration is more than .10, the
59 15 defendant shall be ordered to install an ignition interlock
59 16 device of a type approved by the commissioner of public safety
59 17 on all vehicles owned or operated by the defendant if the
59 18 defendant seeks a temporary restricted license.
59 19 Sec. 123. Section 321J.12, subsection 2, paragraphs a and
59 20 b, as enacted by 2003 Iowa Acts, House File 65, section 5, are
59 21 amended to read as follows:
59 22 a. A person whose driver's license or nonresident
59 23 operating privileges have been revoked under subsection 1,
59 24 paragraph "a", whose alcohol concentration is .08 or more but
59 25 not more than .10 shall not be eligible for any temporary
59 26 restricted license for at least thirty days after the
59 27 effective date of the revocation if a test was obtained and an
59 28 accident resulting in personal injury or property damage
59 29 occurred. The defendant shall be ordered to install an
59 30 ignition interlock device of a type approved by the
59 31 commissioner of public safety on all vehicles owned or
59 32 operated by the defendant if the defendant seeks a temporary
59 33 license. There shall be no such period of ineligibility if no
59 34 such accident occurred, and the defendant shall not be ordered
59 35 to install an ignition interlock device.
60 1 b. A defendant whose alcohol concentration is more than
60 2 .10 shall not be eligible for any temporary restricted license
60 3 for at least thirty days if a test was obtained, and an
60 4 accident resulting in personal injury or property damage
60 5 occurred or the defendant's alcohol concentration exceeded
60 6 .15. There shall be no such period of ineligibility if no
60 7 such accident occurred and the defendant's alcohol
60 8 concentration did not exceed .15. In either case, where a
60 9 defendant's alcohol concentration is more than .10, the
60 10 defendant shall be ordered to install an ignition interlock
60 11 device of a type approved by the commissioner of public safety
60 12 on all vehicles owned or operated by the defendant if the
60 13 defendant seeks a temporary restricted license.
60 14 Sec. 124. Section 331.605C, subsections 1 and 2, if
60 15 enacted by 2003 Iowa Acts, Senate File 453, are amended to
60 16 read as follows:
60 17 1. For the fiscal year beginning July 1, 2003, and ending
60 18 June 30, 2004, the recorder shall collect a fee of five
60 19 dollars for each recorded transaction, regardless of the
60 20 number of pages, for which a fee is paid pursuant to section
60 21 331.604 to be used for the purposes of planning and
60 22 implementing electronic recording and electronic transactions
60 23 in each county and developing county and statewide internet
60 24 websites to provide electronic access to records and
60 25 information.
60 26 2. Beginning July 1, 2004, the recorder shall collect a
60 27 fee of one dollar for each recorded transaction, regardless of
60 28 the number of pages, for which a fee is paid pursuant to
60 29 section 331.604 to be used for the purpose of paying the
60 30 county's ongoing costs of maintaining the systems developed
60 31 and implemented under subsection 1.
60 32 Sec. 125. Section 331.605C, subsection 4, if enacted by
60 33 2003 Iowa Acts, Senate File 453, is amended to read as
60 34 follows:
60 35 4. The state local electronic government electronic

61 1 transaction fund is established in the office of the treasurer
61 2 of state under the control of the treasurer of state. Moneys
61 3 deposited into the fund are not subject to section 8.33.
61 4 Notwithstanding section 12C.7, interest or earnings on moneys
61 5 in the ~~state local electronic~~ government ~~electronic~~
61 6 transaction fund shall be credited to the fund. Moneys in the
61 7 ~~state local electronic~~ government ~~electronic~~ transaction fund
61 8 are not subject to transfer, appropriation, or reversion to
61 9 any other fund, or any other use except as provided in this
61 10 subsection. The treasurer of state shall enter into a
61 11 contract with the Iowa state association of counties affiliate
61 12 representing county recorders to ~~develop, implement, and~~
~~61 13 maintain hold the fund for the development, implementation,~~
~~61 14 and maintenance of~~ a statewide internet website for purposes
61 15 of providing electronic access to records and information
61 16 recorded or filed by county recorders. On a monthly basis,
61 17 the county treasurer shall pay one dollar of each fee
61 18 collected pursuant to subsection 1 to the treasurer of state
61 19 for deposit into the ~~state local electronic~~ government
61 20 ~~electronic~~ transaction fund. Moneys credited to the ~~state~~
61 21 ~~local electronic~~ government ~~electronic~~ transaction fund are
61 22 appropriated to the treasurer of state to be used for contract
61 23 costs. This subsection is repealed June 30, 2004.

61 24 Sec. 126. Section 422.45, Code 2003, is amended by adding
61 25 the following new subsection:
61 26 NEW SUBSECTION. 64. The gross receipts from noncustomer
61 27 point of sale or noncustomer automated teller machine access
61 28 or service charges assessed by a financial institution. For
61 29 purposes of this subsection, "financial institution" means the
61 30 same as defined in section 527.2.

61 31 Sec. 127. Section 423.4, Code 2003, is amended by adding
61 32 the following new subsection:
61 33 NEW SUBSECTION. 9A. Vehicles subject to registration
61 34 which are transferred from a corporation that is primarily
61 35 engaged in the business of leasing vehicles subject to
62 1 registration to a corporation that is primarily engaged in the
62 2 business of leasing vehicles subject to registration when the
62 3 transferor and transferee corporations are part of the same
62 4 controlled group for federal income tax purposes.

62 5 Sec. 128. Section 435.26A, subsections 2 and 5, as enacted
62 6 by 2003 Iowa Acts, Senate File 134, section 7, are amended to
62 7 read as follows:

62 8 2. Upon receipt of a certificate of title from a
62 9 manufactured home owner, a county treasurer shall notify the
62 10 department of transportation that the certificate of title has
62 11 been surrendered, remove the registration of title from the
62 12 county treasurer's records, and destroy the certificate of
62 13 title.

62 14 The manufactured home owner or the owner's representative
62 15 shall provide to the county recorder the identifying data of
62 16 the manufactured home, including the owner's name, the name of
62 17 the manufacturer, the model name, the year of manufacture, and
62 18 the serial number of the home, along with the legal
62 19 description of the real estate on which the manufactured home
62 20 is located. In addition, evidence shall be provided of the
62 21 surrender of the certificate of title. After the surrender of
62 22 the certificate of title of a manufactured home under this
62 23 section, conveyance of an interest in the manufactured home
62 24 shall not require transfer of title so long as the
62 25 manufactured home remains on the same real estate site.

62 26 5. An owner of a manufactured home who has surrendered a
62 27 certificate of title under this section and requires another
62 28 certificate of title for the manufactured home is required to
62 29 apply for a ~~bonded~~ certificate of title under ~~chapter 321~~
62 30 section 321.42. If supporting documents for the reissuance of
62 31 a title are not available or sufficient, the procedure for the
62 32 reissuance of a title specified in the rules of the department
62 33 of transportation shall be used.

62 34 Sec. 129. Section 452A.2, Code 2003, is amended by adding
62 35 the following new subsection:

63 1 NEW SUBSECTION. 20A. "Nonterminal storage facility" means
63 2 a facility where motor fuel or special fuel, other than
63 3 liquefied petroleum gas, is stored that is not supplied by a
63 4 pipeline or a marine vessel. "Nonterminal storage facility"
63 5 includes a facility that manufactures products such as
63 6 alcohol, biofuel, blend stocks, or additives which may be used
63 7 as motor fuel or special fuel, other than liquefied petroleum
63 8 gas, for operating motor vehicles or aircraft.

63 9 Sec. 130. Section 453A.2, Code 2003, is amended by adding
63 10 the following new subsection:

63 11 NEW SUBSECTION. 5B. A tobacco compliance employee

63 12 training fund is created in the office of the treasurer of
63 13 state. The fund shall consist of civil penalties assessed by
63 14 the Iowa department of public health under section 453A.22,
63 15 for violations of this section. Moneys in the fund are
63 16 appropriated to the alcoholic beverages division of the
63 17 department of commerce and shall be used to develop and
63 18 administer the tobacco compliance employee training program
63 19 under section 453A.2A. Moneys deposited in the fund shall not
63 20 be transferred, used, obligated, appropriated, or otherwise
63 21 encumbered except as provided in this subsection.
63 22 Notwithstanding section 8.33, any unexpended balance in the
63 23 fund at the end of the fiscal year shall be retained in the
63 24 fund.

63 25 Sec. 131. Section 453C.1, subsection 10, Code 2003, is
63 26 amended to read as follows:

63 27 10. "Units sold" means the number of individual cigarettes
63 28 sold in the state by the applicable tobacco product
63 29 manufacturer, whether directly or through a distributor,
63 30 retailer, or similar intermediary or intermediaries, during
63 31 the year in question, as measured by excise taxes collected by
63 32 the state on packs or roll-your-own tobacco containers ~~bearing~~
~~63 33 the excise tax stamp of the state.~~ The department of revenue
63 34 and finance shall adopt rules as are necessary to ascertain
63 35 the amount of state excise tax paid on the cigarettes of such
64 1 tobacco product manufacturer for each year.

64 2 Sec. 132. Section 453C.2, subsection 2, paragraph b,
64 3 subparagraph (2), Code 2003, is amended to read as follows:

64 4 (2) To the extent that a tobacco product manufacturer
64 5 establishes that the amount the manufacturer was required to
64 6 place into escrow ~~on account of units sold in the state in a~~
64 7 ~~particular year was greater than the state's allocable share~~
~~64 8 of the total payments that such manufacturer would have been~~
~~64 9 required to make in that year under the master settlement~~
~~64 10 agreement the master settlement agreement payments, as~~
~~64 11 determined pursuant to section IX(i) of that agreement~~
~~64 12 including after final determination of all adjustments, that~~
~~64 13 such manufacturer would have been required to make on account~~
~~64 14 of such units sold had such manufacturer been a participating~~
~~64 15 manufacturer, as such payments are determined pursuant to~~
~~64 16 section IX(i)(2) of the master settlement agreement and before~~
~~64 17 any of the adjustments or offsets described in section~~
~~64 18 IX(i)(3) of that agreement other than the inflation~~
~~64 19 adjustment,~~ the excess shall be released from escrow and
64 20 revert back to such tobacco product manufacturer.

64 21 Sec. 133. Section 455D.9, Code 2003, is amended by adding
64 22 the following new subsection:

64 23 NEW SUBSECTION. 1A. Yard waste may be accepted by a
64 24 sanitary landfill for land disposal if the sanitary landfill
64 25 operates an active methane collection system that produces
64 26 electricity.

64 27 Sec. 134. Section 476.33, Code 2003, is amended by adding
64 28 the following new subsection:

64 29 NEW SUBSECTION. 5. a. The board shall adopt rules that
64 30 require the board, in a rate regulatory proceeding under
64 31 sections 476.3 and 476.6, to consider both of the following
64 32 for inclusion in rates:

64 33 (1) Capital infrastructure investments that will not
64 34 produce significant additional revenues and will be in service
64 35 in Iowa within nine months after the conclusion of the test
65 1 year.

65 2 (2) Cost of capital changes that will occur within nine
65 3 months after the conclusion of the test year that are
65 4 associated with a new generating plant that has been the
65 5 subject of a ratemaking principles proceeding pursuant to
65 6 section 476.53.

65 7 b. This subsection is repealed effective July 1, 2007.
65 8 However, any utilities board proceeding that is pending on
65 9 July 1, 2007, that is being conducted pursuant to section
65 10 476.3 or 476.6 shall be completed as if this section had not
65 11 been repealed. Upon repeal, the board may still consider the
65 12 adjustments addressed in this subsection, but shall not be
65 13 required to consider them.

65 14 Sec. 135. Section 505.7, Code 2003, is amended by adding
65 15 the following new subsection:

65 16 NEW SUBSECTION. 9. The commissioner may retain funds
65 17 collected during the fiscal year beginning July 1, 2003,
65 18 pursuant to any settlement, enforcement action, or other legal
65 19 action authorized under federal or state law for the purpose
65 20 of reimbursing costs and expenses of the division.

65 21 Sec. 136. Section 518.18, unnumbered paragraph 2, Code
65 22 2003, is amended to read as follows:

65 23 1. Two The applicable percent of the gross amount of
65 24 premiums received during the preceding calendar year, after
65 25 deducting the amount returned upon the canceled policies,
65 26 certificates, and rejected applications; and after deducting
65 27 premiums paid for windstorm or hail reinsurance on properties
65 28 specifically reinsured; ~~provided, however, that.~~ However, the
65 29 reinsurer of such windstorm or hail risks shall pay ~~two the~~
65 30 applicable percent of the gross amount of reinsurance premiums
65 31 received upon such risks after deducting the amounts returned
65 32 upon canceled policies, certificates, and rejected
65 33 applications. For purposes of this section, "applicable
65 34 percent" means the same as specified in section 432.1,
65 35 subsection 4.

66 1 2. Except as provided in subsection 3, the premium tax
66 2 shall be paid on or before March 1 of the year following the
66 3 calendar year for which the tax is due. The commissioner of
66 4 insurance may suspend the certificate of authority of a county
66 5 mutual insurance association that fails to pay its premium tax
66 6 on or before the due date.

66 7 3. a. Each county mutual insurance association
66 8 transacting business in this state whose Iowa premium tax
66 9 liability for the preceding calendar year was one thousand
66 10 dollars or more shall remit on or before June 1, on a
66 11 prepayment basis, an amount equal to one-half of the premium
66 12 tax liability for the preceding calendar year.

66 13 b. In addition to the prepayment amount in paragraph "a",
66 14 each association shall remit on or before June 30, on a
66 15 prepayment basis, an additional amount equal to the following
66 16 percent of the premium tax liability for the preceding
66 17 calendar year as follows:

66 18 (1) For prepayment in the 2003 and 2004 calendar years,
66 19 eleven percent.

66 20 (2) For prepayment in the 2005 calendar year, twenty-six
66 21 percent.

66 22 (3) For prepayment in the 2006 and subsequent calendar
66 23 years, fifty percent.

66 24 c. The sums prepaid by a county mutual insurance
66 25 association under this subsection shall be allowed as credits
66 26 against its premium tax liability for the calendar year during
66 27 which the payments are made. If a prepayment made under this
66 28 subsection exceeds the annual premium tax liability, the
66 29 excess shall be allowed as a credit against subsequent
66 30 prepayment or tax liabilities. The commissioner of insurance
66 31 may suspend the certificate of authority of an association
66 32 that fails to make a prepayment on or before the due date.

66 33 Sec. 137. Section 518A.35, Code 2003, is amended to read
66 34 as follows:

66 35 518A.35 ANNUAL TAX.

67 1 1. A state mutual insurance association doing business
67 2 under this chapter shall on or before the first day of March,
67 3 each year, pay to the director of revenue and finance, or a
67 4 depository designated by the director, a sum equivalent to ~~two~~
67 5 the applicable percent of the gross receipts from premiums and
67 6 fees for business done within the state, including all
67 7 insurance upon property situated in the state without
67 8 including or deducting any amounts received or paid for
67 9 reinsurance. However, a company reinsuring windstorm or hail
67 10 risks written by county mutual insurance associations is
67 11 required to pay ~~a two the applicable~~ percent tax on the gross
67 12 amount of reinsurance premiums received upon such risks, but
67 13 after deducting the amount returned upon canceled policies and
67 14 rejected applications covering property situated within the
67 15 state, and dividends returned to policyholders on property
67 16 situated within the state. For purposes of this section,
67 17 "applicable percent" means the same as specified in section
67 18 432.1, subsection 4.

67 19 2. Except as provided in subsection 3, the premium tax
67 20 shall be paid on or before March 1 of the year following the
67 21 calendar year for which the tax is due. The commissioner of
67 22 insurance may suspend the certificate of authority of a state
67 23 mutual insurance association that fails to pay its premium tax
67 24 on or before the due date.

67 25 3. a. Each state mutual insurance association transacting
67 26 business in this state whose Iowa premium tax liability for
67 27 the preceding calendar year was one thousand dollars or more
67 28 shall remit on or before June 1, on a prepayment basis, an
67 29 amount equal to one-half of the premium tax liability for the
67 30 preceding calendar year.

67 31 b. In addition to the prepayment amount in paragraph "a",
67 32 each association shall remit on or before June 30, on a
67 33 prepayment basis, an additional amount equal to the following

67 34 percent of the premium tax liability for the preceding
67 35 calendar year as follows:

68 1 (1) For prepayment in the 2003 and 2004 calendar years,
68 2 eleven percent.

68 3 (2) For prepayment in the 2005 calendar year, twenty-six
68 4 percent.

68 5 (3) For prepayment in the 2006 and subsequent calendar
68 6 years, fifty percent.

68 7 c. The sums prepaid by a state mutual insurance
68 8 association under this subsection shall be allowed as credits
68 9 against its premium tax liability for the calendar year during
68 10 which the payments are made. If a prepayment made under this
68 11 subsection exceeds the annual premium tax liability, the
68 12 excess shall be allowed as a credit against subsequent
68 13 prepayment or tax liabilities. The commissioner of insurance
68 14 may suspend the certificate of authority of an association
68 15 that fails to make a prepayment on or before the due date.

68 16 Sec. 138. 2003 Iowa Acts, Senate File 453, section 30, if
68 17 enacted, is amended by striking the section and inserting in
68 18 lieu thereof the following:

68 19 SEC. 30. CHARGE FOR RENT. For the fiscal year beginning
68 20 July 1, 2003, and ending June 30, 2004, the department of
68 21 administrative services, if established in 2003 Iowa Acts,
68 22 House File 534, shall transfer \$900,000 to the general fund of
68 23 the state from the rent fund if established under section
68 24 8A.123 in 2003 Iowa Acts, House File 534.

68 25 Sec. 139. 2003 Iowa Acts, Senate File 453, section 35, if
68 26 enacted, is amended to read as follows:

68 27 SEC. 35. CHARTER AGENCY APPROPRIATIONS.

68 28 1. Notwithstanding any provision of law to the contrary,
68 29 the total operating appropriations reductions as allowed under
68 30 section 7J.1 from the general fund of the state to those
68 31 departments and agencies designated as charter agencies and
68 32 additional revenue to the general fund of the state attributed
68 33 to the reinvention process as determined by the department of
68 34 management above that already committed to the general fund of
68 35 the state generated for the fiscal year beginning July 1,

69 1 2003, and ending June 30, 2004, as provided by the
69 2 appropriation to those agencies as enacted by the Eightieth
69 3 General Assembly, 2003 Regular Session, shall ~~be reduced by~~
69 4 total \$15,000,000. The department of management shall apply
69 5 the appropriation reductions, ~~with a target of a 10 percent~~
69 6 ~~reduction for each charter agency, as necessary to which along~~
69 7 ~~with additional generated revenue shall achieve the overall~~
69 8 reduction amount and shall make this information available to
69 9 the legislative fiscal committee and the legislative fiscal
69 10 bureau. ~~It is the intent of the general assembly that~~

69 11 ~~appropriations to a charter agency in subsequent fiscal years~~
69 12 ~~shall be similarly adjusted from the appropriation that would~~
69 13 ~~otherwise have been enacted.~~

69 14 2. There is appropriated from the general fund of the
69 15 state to the department of management for the fiscal year
69 16 beginning July 1, 2003, and ending June 30, 2004, the
69 17 following amount, or so much thereof as is necessary, to be
69 18 used for the purposes designated:

69 19 For deposit in the charter agency ~~loan~~ grant fund created
69 20 in section 7J.2:

69 21 \$ 3,000,000

69 22 3. ~~For the fiscal year beginning July 1, 2003, and ending~~
69 23 ~~June 30, 2004, if the actual amount of revenue received by a~~
69 24 ~~charter agency exceeds the revenue amount budgeted for that~~
69 25 ~~charter agency by the governor and the general assembly, the~~
69 26 ~~charter agency may consider the excess amount to be repayment~~
69 27 ~~receipts as defined in section 8.2.~~

69 28 Sec. 140. Notwithstanding section 8.33, unencumbered and
69 29 unobligated funds remaining from the appropriation made in
69 30 1996 Iowa Acts, chapter 1218, section 13, subsection 2,
69 31 paragraph "a", subparagraph (2), as amended by 1997 Iowa Acts,
69 32 chapter 215, section 3, and from the appropriation made in
69 33 1997 Iowa Acts, chapter 215, section 4, subsection 1, shall
69 34 not revert but shall be available for the purposes designated
69 35 in those provisions until the close of the fiscal year
70 1 beginning July 1, 2003.

70 2 Sec. 141. 2003 Iowa Acts, Senate File 453, section 49,
70 3 subsection 1, unnumbered paragraph 1, if enacted, is amended
70 4 to read as follows:

70 5 The department of human services shall establish a work
70 6 group in cooperation with representatives of the insurance
70 7 industry and members of the medical assistance advisory
70 8 council to develop a plan for the redesign of the medical
70 9 assistance program. In developing the redesign plan, the work

70 10 group shall consider all of the following:

70 11 Sec. 142. 2003 Iowa Acts, Senate File 453, section 121, if
70 12 enacted, is amended to read as follows:

70 13 SEC. 121. EFFECTIVE DATE. This division of this Act,
70 14 creating the Iowa lottery authority, takes effect ~~September~~
70 15 July 1, 2003.

70 16 Sec. 143. Sections 266.8, 266.24, 266.25, and 266.26, Code
70 17 2003, are repealed.

70 18 Sec. 144. REPORT ON FEDERAL ELECTION LAW IMPLEMENTATION.

70 19 The state committee, if formed, shall develop a plan for
70 20 compliance with the federal Help America Vote Act, Pub. L. No.
70 21 107=252, and the state committee, in conjunction with the
70 22 state commissioner of elections, shall provide quarterly
70 23 updates to the Senate and House of Representatives standing
70 24 committees on government oversight on the status of the
70 25 implementation of Pub. L. No. 107=252.

70 26 Sec. 145. SALE OF DEPARTMENT OF CORRECTIONS' REAL
70 27 PROPERTY.

70 28 1. Immediately after the effective date of this section,
70 29 the department of corrections shall develop a plan to sell, at
70 30 market value, the twenty-acre tract of undeveloped land
70 31 adjacent to the Iowa correctional institution for women to any
70 32 municipality with a population of less than twenty thousand
70 33 persons. The plan shall include the sale of the tract of land
70 34 within a commercially reasonable time. The sale shall be
70 35 negotiated by the department and shall be handled in a manner
71 1 that is financially beneficial to the department. The
71 2 department shall as a condition of the sale to the
71 3 municipality require that the land not be sold by the
71 4 municipality for a period of ninety-nine years unless the land
71 5 is resold back to the state. Appraisals conducted by the
71 6 department of the value of the land shall be made available to
71 7 the public immediately following the sale of the tract of
71 8 land. If the department is unable to negotiate a financially
71 9 beneficial sale, the tract of land shall not be sold, and the
71 10 department shall provide the legislative fiscal bureau with
71 11 the reasons the sale did not occur.

71 12 2. The proceeds from the sale of the property as provided
71 13 in subsection 1 shall be retained by the department of
71 14 corrections to be used for correctional facilities. The costs
71 15 incident to the sale of the tract of land including, but not
71 16 limited to, appraisals, invitations for offers, abstracts, and
71 17 other necessary costs, may be paid from the proceeds of the
71 18 sale or from moneys appropriated for support and maintenance
71 19 to the institution at which the real estate is located.

71 20 3. The provisions of section 904.317 shall not apply to
71 21 the sale of the tract of land sold in accordance with this
71 22 section.

71 23 Sec. 146. SALES AND USE TAX REFUND.

71 24 1. Notwithstanding the one-year application period
71 25 provided for in section 422.45, subsection 7, paragraph "b",
71 26 an application by a city with a population between 550 and 625
71 27 located entirely in a county with a population between 39,750
71 28 and 41,750 for a refund of sales, services, or use tax paid
71 29 upon any goods, wares, or merchandise, or services rendered,
71 30 furnished, or performed and used in the performance of
71 31 contracts involving a street construction project and a sewer
71 32 project is considered timely filed under section 422.45,
71 33 subsection 7, if the application for refund is filed with the
71 34 department of revenue and finance on or before August 1, 2003.

71 35 2. Notwithstanding the amount applied for under subsection
72 1 1, the amount of a refund paid under this section shall not
72 2 exceed \$15,000.

72 3 Sec. 147. SCHOOL DISTRICT REIMBURSEMENT CLAIM.

72 4 1. Any school district located in a county with a
72 5 population between 11,550 and 12,000 is authorized to refile a
72 6 claim for state reimbursement of the costs of providing
72 7 vocational education programs at the secondary level in its
72 8 district notwithstanding the denial of its previously filed
72 9 claim with the state appeal board if the claim is filed by
72 10 October 1, 2003. Such claim shall be considered timely filed
72 11 notwithstanding any provision of law.

72 12 2. If the claim filed pursuant to subsection 1 is a valid
72 13 claim for state reimbursement, the claim shall be paid subject
72 14 to the following:

72 15 a. The amount of costs reimbursed shall not exceed 6.5
72 16 percent.

72 17 b. Any amount reimbursed pursuant to any previously filed
72 18 claim relating to the same costs shall not be included.

72 19 c. The total amount reimbursed under this section shall
72 20 not exceed \$6,000.

72 21 Sec. 148. COORDINATION OF PUBLIC TRANSPORTATION STUDY.
72 22 The state department of transportation shall conduct a study
72 23 and prepare a report pertaining to administrative efficiencies
72 24 that may be gained by the coordination of transit management
72 25 and maintenance systems in the areas of school transportation,
72 26 public transit, and other forms of public transportation. The
72 27 report shall be provided to the general assembly by December
72 28 31, 2003.

72 29 Sec. 149. SUPPLEMENTAL PAYMENT ADJUSTMENTS FOR PHYSICIAN
72 30 SERVICES. To the extent that, pursuant to law enacted by the
72 31 Eightieth General Assembly, 2003 Session, supplemental payment
72 32 adjustments are implemented for physician services provided to
72 33 medical assistance program participants at publicly owned
72 34 acute care hospitals, the department of human services shall
72 35 not, directly or indirectly, recoup the supplemental payment
73 1 adjustments for any reason, unless an amount equivalent to the
73 2 amount of adjustment funds that were transferred to the
73 3 department by the state university of Iowa college of medicine
73 4 is transferred by the department to the qualifying physicians.

73 5 Sec. 150. UTILITIES BOARD REVIEW. The utilities board
73 6 shall initiate and coordinate a review of current ratemaking
73 7 procedures to determine whether different procedures would be
73 8 cost-effective and would result in rates that more accurately
73 9 reflect a utility's cost of providing service to its customers
73 10 in Iowa. The board shall allow the consumer advocate division
73 11 of the department of justice, the rate-regulated utilities,
73 12 and other interested persons to participate in its review.
73 13 The board shall report the results of its review to the
73 14 general assembly, with recommendations as appropriate, on or
73 15 before January 5, 2004.

73 16 Sec. 151. USE OF TEAM-BASED VARIABLE PAY MONEYS FOR FY
73 17 2003=2004. Notwithstanding section 284.13, subsection 1,
73 18 paragraph a, of the moneys reserved for purposes of team-based
73 19 variable pay for the fiscal year beginning July 1, 2003, and
73 20 ending June 30, 2004, the sum of two hundred thousand dollars
73 21 shall be used for purposes of the reading instruction pilot
73 22 program established pursuant to 2003 Iowa Acts, House File
73 23 549, if enacted.

73 24 Sec. 152. FULL-SIZE OFF-HIGHWAY VEHICLE REGISTRATION
73 25 PROGRAM == PLAN. The department of natural resources and the
73 26 state department of transportation, in consultation with the
73 27 Iowa association of four wheel drive clubs, shall develop a
73 28 plan for the establishment of a registration program for full-
73 29 size off-highway vehicles for the purposes of regulating the
73 30 recreational use of full-size off-highway vehicles and
73 31 establishing a full-size off-highway vehicle recreation area
73 32 in the state. The plan shall include an analysis of the
73 33 number of full-size off-highway vehicles expected to be
73 34 registered prior to the establishment of a full-size off-
73 35 highway vehicle recreation area and the number of
74 1 registrations expected after the establishment of such a
74 2 facility. The plan shall also include optimum locations for a
74 3 full-size off-highway vehicle recreation area, estimated
74 4 costs, if any, for maintenance of the area, and any other
74 5 issues the departments and the association deem to be of
74 6 importance in the planning process. The plan, which shall
74 7 include any proposed legislation for implementation of the
74 8 plan, shall be submitted to the legislative services agency
74 9 and the general assembly no later than January 1, 2004.

74 10 Sec. 153. ELIMINATION OF POSITION == IOWA LAW ENFORCEMENT
74 11 ACADEMY DIRECTOR. The merit position of director of the Iowa
74 12 law enforcement academy referred to in section 80B.5, Code
74 13 2003, is eliminated effective April 30, 2004.

74 14 Sec. 154. SEVERABILITY.
74 15 1. If this entire Act or any portion of section 453C.2,
74 16 subsection 2, paragraph "b", subparagraph (2), as amended in
74 17 this Act, is held by a court of competent jurisdiction to be
74 18 unconstitutional, section 453C.2, subsection 2, paragraph "b",
74 19 subparagraph (2), is repealed in its entirety.

74 20 2. If section 453C.2, subsection 2, paragraph "b",
74 21 subparagraph (2), is repealed pursuant to subsection 1 and a
74 22 court of competent jurisdiction subsequently finds that
74 23 section 453C.2, subsection 2, paragraph "b", is
74 24 unconstitutional due to such repeal, section 453C.2,
74 25 subsection 2, paragraph "b", subparagraph (2), Code 2003,
74 26 shall be restored.

74 27 3. Any holding of unconstitutionality or any repeal of
74 28 section 453C.2, subsection 2, paragraph "b", subparagraph (2),
74 29 as amended in this Act, or of section 453C.2, subsection 2,
74 30 paragraph "b", subparagraph (2), Code 2003, shall not affect,
74 31 impair, or invalidate any other portion of section 453C.2 or

74 32 the application of that section to any other person or
74 33 circumstance, and the remaining portions of section 453C.2,
74 34 shall continue in full force and effect.

74 35 Sec. 155. FEDERAL HOUSING MONEYS. Any federal moneys
75 1 received by the department of economic development for the
75 2 community development block grant program that are allocated
75 3 for housing and any federal moneys received for the HOME
75 4 investment partnership program shall be coordinated with
75 5 projects within the housing trust fund established in section
75 6 16.181, if enacted.

75 7 Sec. 156. SMALLPOX VACCINATIONS. It is the intent of the
75 8 general assembly that public safety workers, smallpox response
75 9 teams, and others who will be required to be vaccinated
75 10 pursuant to the federal Homeland Security Act be protected
75 11 from both health-related and other results of the federally
75 12 required vaccination. The emergency management division of
75 13 the Iowa department of public defense and local governments
75 14 should work with employees in the public safety areas or
75 15 response teams to achieve the following:

75 16 1. Vaccinations should be given only on a voluntary basis.
75 17 2. Extensive screening should be employed to protect those
75 18 workers who would be at risk from current health conditions if
75 19 vaccinated.

75 20 3. Reprisals or discrimination for workers not voluntarily
75 21 receiving vaccinations should be prohibited.

75 22 4. Public employers should protect employees from loss of
75 23 income or seniority as a result of side effects from
75 24 vaccinations. Homeland security moneys received by the
75 25 emergency management division of the Iowa department of public
75 26 defense from the federal government should include a set-aside
75 27 to purchase supplemental insurance for public safety or
75 28 response employees to cover those reactions not covered by
75 29 traditional employer-provided health insurance.

75 30 5. Disability or long-term reactions from vaccinations
75 31 should be considered a work-related injury and should be
75 32 covered by local or state policies governing disability.

75 33 6. Vaccinations should be scheduled at staggered times to
75 34 allow for normal loss of staff time because of vaccination=
75 35 related illnesses without seriously hampering public safety
76 1 service.

76 2 7. Vaccinations administered in Iowa should meet the
76 3 requirements of the federal Needlestick Safety and Prevention
76 4 Act of 2000 that requires safety features in the use of
76 5 needles to administer medicine.

76 6 8. The emergency management division of the Iowa
76 7 department of public defense should coordinate efforts to
76 8 ensure adequate supplies of vaccinia immune globulin and
76 9 cidofovir and other appropriate medical care and
76 10 pharmaceuticals to protect those employees who suffer
76 11 reactions to vaccinations.

76 12 Sec. 157. CODE EDITOR DIRECTIVE. The Code editor shall
76 13 change the name of the department of public defense, emergency
76 14 management division, to the department of public defense,
76 15 homeland security and emergency management division, in
76 16 chapter 29C and elsewhere throughout the Code, including
76 17 references to the division made in law enacted by the
76 18 Eightieth General Assembly, 2003 Regular Session and other
76 19 enactments.

76 20 Sec. 158. RECORDING AND TRANSACTION FEE REPORT. The
76 21 treasurer of state shall submit a report to the governor and
76 22 general assembly on or before December 1, 2003, detailing the
76 23 amount of fees collected statewide pursuant to section 331.604
76 24 in each fiscal year of the period beginning July 1, 2000, and
76 25 ending June 30, 2003, and the amount of electronic transaction
76 26 fees collected statewide for the period beginning July 1,
76 27 2003, and ending September 30, 2003, pursuant to section
76 28 331.605C, if enacted by 2003 Iowa Acts, Senate File 453,
76 29 section 25.

76 30 Sec. 159. EFFECTIVE DATES. The following provisions of
76 31 this division of this Act, being deemed of immediate
76 32 importance, take effect upon enactment:

76 33 1. The amendments to sections 8.23, 8.31, and 8.57 which
76 34 are first applicable to appropriations made for the fiscal
76 35 year beginning July 1, 2003.

77 1 2. The amendment to section 12E.12.

77 2 3. The amendments to sections 15E.42, 15E.43, 15E.45, and
77 3 15E.51, which apply retroactively to January 1, 2002, for tax
77 4 years beginning on or after that date.

77 5 4. The amendment to section 15E.193B.

77 6 5. The amendment to section 435.26A.

77 7 6. The amendment to section 453A.2, which shall only take

77 8 effect if 2003 Iowa Acts, Senate File 401, is enacted by the
77 9 Eightieth General Assembly, 2003 Regular Session.

77 10 7. The amendments to sections 453C.1 and 453C.2 and the
77 11 related severability provision.

77 12 8. The amendments to sections 518.18 and 518A.35.

77 13 9. The section directing the department of corrections to
77 14 develop a plan for selling certain land.

77 15 10. The section relating to the sales and use tax refund.

77 16 11. The section relating to the school district
77 17 reimbursement claim.

77 18 The sections of this division of this Act amending section
77 19 80B.5 and enacting section 80B.5A are applicable to the
77 20 appointment of the director of the Iowa law enforcement
77 21 academy for the term beginning May 1, 2004.

77 22 Section 29C.8, subsection 3, paragraph "f", as enacted in
77 23 this division of this Act, and the amendment to section
77 24 29C.20, subsection 1, as enacted in this division of this Act,
77 25 take effect July 1, 2004.

77 26 DIVISION VIII

77 27 MEDICAL ASSISTANCE PROGRAM

77 28 Sec. 160. Section 135C.31A, if enacted by 2003 Iowa Acts,
77 29 House File 619, section 2, is amended to read as follows:

77 30 135C.31A ASSESSMENT OF RESIDENTS == PROGRAM ELIGIBILITY.

77 31 Beginning July 1, 2003, a health care facility receiving
77 32 reimbursement through the medical assistance program under
77 33 chapter 249A shall assist the Iowa commission of veterans
77 34 affairs in ~~determining, prior to the initial identifying, upon~~
77 35 admission of a resident, the ~~prospective~~ resident's
78 1 eligibility for benefits through the federal department of
78 2 veterans affairs. The health care facility shall also assist
78 3 the Iowa commission of veterans affairs in determining such
78 4 eligibility for residents residing in the facility on July 1,
78 5 2003. The department of inspections and appeals, in
78 6 cooperation with the department of human services, shall adopt
78 7 rules to administer this section, including a provision that
78 8 ensures that if a resident is eligible for benefits through
78 9 the federal department of veterans affairs or other third=
78 10 party payor, the payor of last resort for reimbursement to the
78 11 health care facility is the medical assistance program. This
78 12 section shall not apply to the admission of an individual to a
78 13 state mental health institute for acute psychiatric care.

78 14 Sec. 161. Section 249A.20A, if enacted by 2003 Iowa Acts,
78 15 House File 619, section 3, is amended by adding the following
78 16 new subsection:

78 17 NEW SUBSECTION. 5A. The department shall adopt rules to
78 18 provide a procedure under which the department and the
78 19 pharmaceutical and therapeutics committee may disclose
78 20 information relating to the prices manufacturers or
78 21 wholesalers charge for pharmaceuticals. The procedures
78 22 established shall comply with 42 U.S.C. } 1396r=8 and with
78 23 chapter 550.

78 24 Sec. 162. Section 249A.20B, if enacted by 2003 Iowa Acts,
78 25 House File 619, section 4, is amended by adding the following
78 26 new subsection:

78 27 NEW SUBSECTION. 5A. The department of human services
78 28 shall provide a reimbursement to nursing facilities under this
78 29 section. The reimbursement amount shall be calculated as a
78 30 per patient day amount and shall be paid to nursing facilities
78 31 in addition to the reimbursement payment specified in 2001
78 32 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
78 33 "c".

78 34 Sec. 163. 2003 Iowa Acts, House File 619, section 5, if
78 35 enacted, is amended by striking the section and inserting in
79 1 lieu thereof the following:

79 2 SEC. 5. CASE MANAGEMENT PROGRAM FOR FRAIL ELDERLS.

79 3 1. The general assembly finds that the existing case
79 4 management program for frail elders administered by the
79 5 department of elder affairs is an important component of the
79 6 long-term care system in this state. The program emphasizes
79 7 the independence and dignity of the individual while providing
79 8 services in a cost-effective manner.

79 9 2. The purposes of the case management program for frail
79 10 elders include all of the following:

79 11 a. To provide planning, policy development, coordination,
79 12 and administrative oversight.

79 13 b. To provide assistance in the form of assessment and
79 14 care coordination under circumstances in which an elder or the
79 15 elder's caregiver is experiencing diminished functional
79 16 capacity or other conditions that require the provision of
79 17 services by professional service providers.

79 18 c. To maintain a system that focuses on the delivery of

79 19 home and community-based services that emphasize individual
79 20 independence, individual needs and desires, and consumer=
79 21 driven quality of services.
79 22 3. It is the intent of the general assembly that the
79 23 department of elder affairs in collaboration with the
79 24 department of human services, area agencies on aging, advocacy
79 25 groups, industry representatives, and consumers submit
79 26 recommendations to the general assembly by October 1, 2003,
79 27 regarding the redesigning of the case management program for
79 28 the frail elderly including preadmission screening
79 29 methodologies, level of care determinations and ongoing
79 30 methodologies for the coordination, provision, and delivery of
79 31 home and community-based services.

79 32 4. It is also the intent of the general assembly that the
79 33 department of elder affairs and the department of human
79 34 services coordinate efforts to resolve issues relating to
79 35 level of care determinations no later than October 1, 2003.

80 1 Sec. 164. 2003 Iowa Acts, House File 619, section 7,
80 2 subsection 4, paragraph b, if enacted, is amended to read as
80 3 follows:

80 4 b. Pharmacies and providers that are enrolled in the
80 5 medical assistance program shall make available drug
80 6 acquisition cost information, product availability
80 7 information, and other information deemed necessary by the
80 8 department for the determination of reimbursement rates and
80 9 the efficient operation of the pharmacy benefit. Pharmacies
80 10 and providers shall produce and submit the requested
80 11 information in the manner and format requested by the
80 12 department or its designee at no cost to the department or
80 13 designee. Pharmacies and providers shall submit information
80 14 to the department or its designee within thirty days following
80 15 receipt of a request for information unless the department or
80 16 its designee grants an extension upon written request of the
80 17 pharmacy or provider. Notwithstanding the required provision
80 18 of information by pharmacies and providers under this
80 19 paragraph, if the department is able to obtain any of the
80 20 information required to be provided under this paragraph in an
80 21 alternative manner, through which the department is ensured of
80 22 the validity and accuracy of the information and of the timely
80 23 submission of the information, the department may instead
80 24 obtain the information in the alternative manner. Chapter 550
80 25 shall apply to the information provided by pharmacies and
80 26 providers under this paragraph.

80 27 Sec. 165. 2003 Iowa Acts, House File 619, section 9, if
80 28 enacted, is amended to read as follows:

80 29 SEC. 9. NURSING FACILITY REIMBURSEMENT. Notwithstanding
80 30 2001 Iowa Acts, chapter 192, section 4, subsection 2,
80 31 paragraph "c", and subsection 3, paragraph "a", subparagraph
80 32 (2), if projected state fund expenditures for reimbursement of
80 33 nursing facilities for the fiscal year beginning July 1, 2003,
80 34 in accordance with the reimbursement rate specified in 2001
80 35 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
81 1 "c", ~~exceeds~~ ~~exceed~~ \$147,252,856, the department shall adjust
81 2 the inflation factor of the reimbursement rate calculation to
81 3 provide reimbursement within the amount projected specified in
81 4 this section. The department, in consultation with nursing
81 5 facility representatives, shall review the projections on a
81 6 quarterly basis to determine if an interim adjustment is
81 7 necessary in order to provide reimbursement within the amount
81 8 specified in this section. In reviewing the projections, the
81 9 department shall consider the savings from the reduction in
81 10 bed hold payments, elimination of crossover claims, and
81 11 increases in Medicare part A utilization.

81 12 Sec. 166. 2003 Iowa Acts, House File 619, section 12,
81 13 subsections 2 and 3, if enacted, are amended to read as
81 14 follows:

81 15 2. The department of human services, in cooperation with
81 16 the department's fiscal agent and in consultation with a
81 17 chronic care ~~management resource group~~ consortium, shall
81 18 profile medical assistance recipients within a select number
81 19 of disease diagnosis categories. The assessment shall focus
81 20 on those diagnosis areas that present the greatest opportunity
81 21 for impact to improved care and cost reduction.

81 22 3. The department of human services, in consultation with
81 23 a chronic care ~~management resource group~~ consortium, shall
81 24 conduct a chronic disease management pilot project for a
81 25 select number of individuals who are participants in the
81 26 medical assistance program. The project shall focus on a
81 27 select number of chronic diseases which may include congestive
81 28 heart failure, diabetes, and asthma. The initial pilot
81 29 project shall be implemented by October 1, 2003.

81 30 Sec. 167. 2003 Iowa Acts, House File 619, section 12,
81 31 subsection 4, if enacted, is amended by striking the
81 32 subsection and inserting in lieu thereof the following:
81 33 4. The department of human services may procure a sole
81 34 source contract with a vendor to manage individuals with
81 35 select chronic diseases following the conclusion of the
82 1 profiling of medical assistance recipients. The management of
82 2 chronic diseases for individuals under this subsection may be
82 3 coordinated with the pilot project established in subsection
82 4 3.

82 5 Sec. 168. 2002 Iowa Acts, Second Extraordinary Session,
82 6 chapter 1003, section 110, is amended by adding the following
82 7 new paragraph:

82 8 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, up
82 9 to \$2,400,000 of the funds appropriated in this section that
82 10 remain unencumbered or unobligated at the close of the fiscal
82 11 year shall not revert but shall remain available in the
82 12 succeeding fiscal year to be used for additional field
82 13 operations, full-time equivalent positions and general
82 14 administration. Four hundred thousand dollars of this amount
82 15 shall be used for eight full-time equivalent positions to
82 16 provide a case manager in each of the judicial districts to
82 17 provide coordination of services for families that have a
82 18 history of methamphetamine abuse and \$400,000 of this amount
82 19 shall be used for general administration.

82 20 Sec. 169. VETERANS == DIRECTIVE. The commission of
82 21 veterans affairs shall work with the commandant of the Iowa
82 22 veterans home, the department of human services, and the
82 23 department of inspections and appeals to identify the
82 24 residents of health care facilities who may be eligible for
82 25 benefits through the federal department of veterans affairs
82 26 pursuant to section 135C.31A, if enacted by 2003 Iowa Acts,
82 27 House File 619.

82 28 Sec. 170. The section of this division of this Act
82 29 amending 2002 Iowa Acts, Second Extraordinary Session, chapter
82 30 1003, section 110, relating to certain federal temporary
82 31 assistance for needy families block grant funding, takes
82 32 effect upon enactment.

82 33 DIVISION IX

82 34 Sec. 171. PURPOSE AND DEFINITIONS.

82 35 1. PURPOSE. The general assembly finds that the Iowa
83 1 communications network is a valuable state asset that has
83 2 served the people of the state well, but which requires
83 3 significant ongoing financial support from the state in the
83 4 form of annual appropriations. The operation of a
83 5 telecommunications network is a function that can be and
83 6 generally is conducted by private enterprise. It is in the
83 7 public interest to sell the Iowa communications network to a
83 8 qualified private business enterprise that will commit to
83 9 provide the same secure low-cost high-quality service to state
83 10 and federal agencies and military installations now provided
83 11 by the network. Through such a sale, the state would
83 12 eliminate the need for ongoing annual appropriations while
83 13 preserving the key benefits enjoyed by the state under the
83 14 present state ownership of the network. The state also
83 15 expects to obtain sufficient proceeds from such a sale to
83 16 cover existing obligations and to realize additional proceeds
83 17 above the level of such obligations. Given the current
83 18 depressed state of the telecommunications industry, the state
83 19 can reasonably be expected to maximize sales proceeds by
83 20 allowing a purchaser a period of time in which to assemble
83 21 financing for its purchase. During the interim between
83 22 enactment of this division of this Act and completion of a
83 23 sale, the services of a private-enterprise manager with
83 24 experience operating telecommunications networks can
83 25 reasonably be expected to reduce the costs of operating the
83 26 Iowa communications network, thereby lowering annual
83 27 appropriations.

83 28 2. DEFINITIONS. As used in this division of this Act,
83 29 unless the context otherwise requires:

83 30 a. "Board" means the state network privatization board.

83 31 b. "Commission" means the Iowa telecommunications and
83 32 technology commission established in section 8D.3 to oversee
83 33 the operations of the network.

83 34 c. "Management contract" means an agreement between the
83 35 board and the manager for services to oversee and operate the
84 1 network on behalf of the state.

84 2 d. "Manager" means the private entity selected by the
84 3 board to oversee and operate the network on behalf of the
84 4 state.

84 5 e. "Network" means the Iowa or state communications

84 6 network as defined in section 8D.2.
84 7 f. "Out-of-pocket expenses" means moneys paid to an
84 8 unaffiliated third party for engineering, legal, consulting,
84 9 or other services or goods by a manager or purchaser.
84 10 g. "Purchaser" means the entity that is selected by the
84 11 board to purchase the network from the state.
84 12 h. "Required third-party approval" means any consent,
84 13 conveyance, approval, or waiver that must be granted by a
84 14 private, governmental, or quasi-governmental third party in
84 15 order for the purchaser to receive clear title to all network
84 16 assets and the right to use the network assets free of adverse
84 17 claims. Required third-party approvals include but are not
84 18 limited to all of the following:
84 19 (1) Approvals of assignments to the purchaser of the
84 20 state's rights under leases or contracts between the state and
84 21 the third party.
84 22 (2) Conveyance to the purchaser of property that the third
84 23 party currently leases to the state on a term with less than
84 24 fifteen years remaining.
84 25 (3) Release of restrictions in contracts that require that
84 26 the state operate the network.
84 27 i. "Sales contract" means the contract between the state
84 28 as seller, represented by the board, and the purchaser, for
84 29 sale of the network to the purchaser.
84 30 Sec. 172. STATE NETWORK PRIVATIZATION BOARD CREATED ==
84 31 DUTIES.
84 32 1. A state network privatization board is created. The
84 33 board shall consist of the following members:
84 34 a. A chairperson member appointed by the legislative
84 35 council, subject to confirmation by the senate.
85 1 b. A member, who shall not be of the same political party
85 2 as the chairperson, appointed by the governor subject to
85 3 confirmation by the senate.
85 4 c. The adjutant general or the adjutant general's
85 5 designee.
85 6 2. The board shall do all of the following:
85 7 a. Issue a request for proposals from qualified entities
85 8 interested in serving as the manager of the network. This
85 9 request for proposals shall be issued by July 1, 2004, and
85 10 responses to the request for proposals shall be due by August
85 11 1, 2004.
85 12 b. Select a manager and enter into a management contract
85 13 with the manager by October 1, 2004. The management contract
85 14 shall provide for the continuation of all services currently
85 15 being provided to state and federal agencies and military
85 16 installations pursuant to chapter 8D, at the rates specified
85 17 therein, for the duration of the contract. The contract shall
85 18 also specify the manager's authority in relation to the duties
85 19 of the commission during the period between execution of the
85 20 management contract and closing of the sale of the network.
85 21 The commission shall establish a dispute resolution process
85 22 regarding rate increases, quality of service issues, and other
85 23 areas of dispute involving network subscribers. The
85 24 commission shall also make recommendations regarding
85 25 imposition of an ongoing dispute resolution and appeals
85 26 process commencing with the closing of the sale of the
85 27 network.
85 28 c. Issue a request for proposals from qualified entities
85 29 for the purchase of the network. This request for proposals
85 30 shall be issued by January 1, 2005, and responses to the
85 31 request for proposals shall be due by May 1, 2005.
85 32 d. Utilizing the criteria set forth in sections 173 and
85 33 174 of this Act, select a purchaser and enter into a sales
85 34 contract with the purchaser by October 1, 2005.
85 35 e. Immediately upon execution of the management contract
86 1 and the sales contract by the majority of the board, transmit
86 2 the executed contract to the general assembly and to the
86 3 governor. The board shall have full authority to enter into
86 4 the management contract and the sales contract on behalf of
86 5 the state, provided that the general assembly by legislation
86 6 enacted regarding the specific purchase and approved by the
86 7 governor, within thirty days after transmittal to the general
86 8 assembly and the governor in the case of the management
86 9 contract, and within sixty days after transmittal to the
86 10 general assembly and the governor in the case of the sales
86 11 contract, may disapprove the board's action, in which case the
86 12 disapproved contract shall have no force and effect. In the
86 13 event of such disapproval, the state shall pay the manager or
86 14 the purchaser, as the case may be, reasonable out-of-pocket
86 15 expenses incurred in preparing a proposal and performing prior
86 16 to disapproval, but such expenses shall not exceed two hundred

86 17 thousand dollars in the case of disapproval of the management
86 18 contract and five hundred thousand dollars in the case of
86 19 disapproval of the sales contract.

86 20 f. Cause the sales contract to require closing by October
86 21 1, 2007, allowing time for the state to obtain third-party
86 22 approvals as required by section 176 of this Act, including
86 23 the filing of any necessary eminent domain actions, and for
86 24 the purchaser to secure financing.

86 25 g. Execute all necessary documents relating to the closing
86 26 of the sale of the network. The board may direct any other
86 27 applicable official to assist in the execution of necessary
86 28 documents relating to the closing.

86 29 h. Require by written directive that all state officials
86 30 provide information and records concerning the network to the
86 31 board, to the manager, or to a person submitting a proposal to
86 32 purchase the network, whenever the board requires such
86 33 provision of such records and other information.

86 34 i. Take all other steps necessary and proper as needed to
86 35 carry out its responsibilities enumerated in this subsection.
87 1 The board may adopt necessary rules pursuant to chapter 17A to
87 2 administer this division of this Act.

87 3 Sec. 173. MINIMUM QUALIFICATIONS OF PURCHASER. The
87 4 purchaser shall meet the following requirements:

87 5 1. The principal place of business of the purchaser and
87 6 any parent of the purchaser shall be located in the state of
87 7 Iowa.

87 8 2. For national security reasons, and because of the
87 9 extensive military use of the network, the purchaser shall
87 10 possess national security approval.

87 11 Sec. 174. CRITERIA FOR SELECTION OF PURCHASER. After
87 12 issuing a request for proposals for the purchase of the
87 13 network and considering the proposals received, the board
87 14 shall select the highest and best offer for purchase of the
87 15 network from those persons submitting proposals which meet all
87 16 of the following criteria:

87 17 1. Satisfy the minimum qualifications of this division of
87 18 this Act.

87 19 2. Submit a proposal in compliance with the request for
87 20 proposals.

87 21 3. Demonstrate a likelihood of being able to obtain any
87 22 financing necessary to close the transaction. However, the
87 23 board shall not require that the purchaser have a commitment
87 24 for financing to award the contract, but shall allow the
87 25 purchaser at least one year to obtain any necessary financing.
87 26 The board may also in its discretion consider proposals
87 27 involving financing of the sale by the state.

87 28 4. Agree to continue all services currently being provided
87 29 to state and federal agencies and military installations for
87 30 the next ten years, with any annual rate increase not to
87 31 exceed five percent per year, provided that the purchaser
87 32 shall not be required to supply at such restricted prices a
87 33 quantity or quality of service greater than that provided by
87 34 the network as of execution of the contract for sale of the
87 35 network.

88 1 Sec. 175. CLOSING OF SALE. Any debt of the state related
88 2 to the network or other liens against network assets shall be
88 3 discharged out of the state's proceeds of closing, so that the
88 4 purchaser receives marketable title to the network. The
88 5 purchaser shall receive bills of sale, in the case of personal
88 6 property, and deeds, in the case of real property,
88 7 transferring all network assets to the purchaser. The state
88 8 shall also transfer its interest in right-of-way and leases
88 9 and easements for uses of rights-of-way.

88 10 Sec. 176. THIRD-PARTY APPROVALS.

88 11 1. The state shall exercise all reasonable efforts to
88 12 obtain each required third-party approval, including where
88 13 necessary by use of eminent domain proceedings. To the extent
88 14 feasible, the state may pay the costs of obtaining required
88 15 third-party approvals out of the proceeds of sale rather than
88 16 from the general fund of the state. In the event the state
88 17 fails to obtain a required third-party approval, the purchaser
88 18 may terminate the sales contract without penalty and shall be
88 19 reimbursed by the state for reasonable out-of-pocket expenses
88 20 incurred in preparing its proposal and fulfilling its
88 21 obligations under the sales contract, not to exceed two
88 22 million dollars.

88 23 2. The board and the purchaser shall develop a list of
88 24 required third-party approvals and persons who may have claims
88 25 that would constitute required third-party approvals if valid.
88 26 The board shall mail to each person on the list at their last
88 27 known address a notice that provides a description of the sale

88 28 and invites the recipient to submit a claim on a form
88 29 developed by the board by a deadline set by the board. The
88 30 claim or interest of any person who fails to timely file a
88 31 claim shall be deemed discharged and forfeited, and such
88 32 person shall be forever barred and estopped from taking any
88 33 action against the state or purchaser that would in any way
88 34 interfere with the purchaser's use of the network. In
88 35 addition, the board shall publish the notice in newspapers of
89 1 general circulation in the state of Iowa, and failure to file
89 2 a timely claim shall bar all persons whose rights could
89 3 constitutionally be affected by such notice, just as if such
89 4 person had been mailed notice.

89 5 3. Any eminent domain or other proceeding to obtain a
89 6 required third-party approval shall be promptly filed by the
89 7 attorney general at the request of the board and shall be
89 8 added to the calendar of any trial or appellate court of this
89 9 state so that the deadline in section 172 of this Act for
89 10 closing the sale can be met.

89 11 Sec. 177. REMOVAL OF RESTRICTIONS == REPEAL OF CHAPTER 8D.
89 12 Chapter 8D is repealed, effective as of the date of the
89 13 closing of the sale of the network under this division of this
89 14 Act, as certified by the chairperson of the board to the
89 15 governor.

89 16 Sec. 178. ASSISTANCE OF OTHER STATE AGENCIES.

89 17 1. The attorney general shall provide legal advice to the
89 18 board.

89 19 2. All other state agencies shall provide whatever
89 20 assistance may reasonably be required by the board in carrying
89 21 out its duties under this division of this Act.

89 22 DIVISION X

89 23 GOVERNMENT ORGANIZATION REVIEW COMMITTEE

89 24 Sec. 179. Section 331.264, subsection 1, unnumbered
89 25 paragraph 1, and paragraphs a through d, if enacted by 2003
89 26 Iowa Acts, Senate File 390, section 25, are amended to read as
89 27 follows:

89 28 A local government organization review committee may be
89 29 created in a county having a population in excess of one
89 30 hundred thousand. The committee shall be composed of the

89 31 following members:

89 32 a. Three city council members appointed by the city
89 33 council of each participating city with a population of
89 34 twenty-five thousand or more.

89 35 b. Three county supervisors appointed by the county board
90 1 of supervisors.

90 2 c. One city council member appointed by each participating
90 3 city with a population of less than twenty-five thousand.

90 4 d. One member shall be appointed by each state legislator
90 5 whose legislative district is located in the county if a
90 6 majority of the constituents of that legislative district
90 7 reside in the county. However, if a county does not have a
90 8 state representative's legislative district which has a
90 9 majority of a state representative's constituency residing in
90 10 the county, the state representative having the largest
90 11 plurality of constituents residing in the county shall appoint
90 12 a member. The member appointed by each state legislator shall
90 13 be a person who is not holding elected office and who is a
90 14 resident of the legislative district of the state legislator.
90 15 If any portion more than one-half of the population of a
90 16 legislative district is in the unincorporated area of the
90 17 county, the member appointed by that legislator shall be a
90 18 resident of the unincorporated area of the county.

90 19 Sec. 180. EFFECTIVE DATE. This division of this Act,
90 20 being deemed of immediate importance, takes effect upon
90 21 enactment.

90 22
90 23

90 24 _____
90 25 MARY E. KRAMER
90 26 President of the Senate
90 27

90 28
90 29 _____
90 30 CHRISTOPHER C. RANTS
90 31 Speaker of the House
90 32

90 33 I hereby certify that this bill originated in the Senate and
90 34 is known as Senate File 458, Eightieth General Assembly.

90 35

91 1

91 2

91 3

MICHAEL E. MARSHALL

Secretary of the Senate

91 4
91 5 Approved _____, 2003
91 6
91 7
91 8
91 9 THOMAS J. VILSACK
91 10 Governor